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THE FINANCIAL TIMES, August 26, 1975

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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

N. Sea gas rig bomb threats

Royal Navy bomb experts last night flew out to three North Sea gas production rigs after a series of mysterious bomb warnings said to be by the Palestinian organisation Al Fatah.

The calls—to two newspapers and the offices of Phillips Petroleum in Yorkshire—led to all men on the three rigs in the Hewett Field, off Norfolk, being evacuated by helicopter and the rigs being shut down.

Later, the navy men cleared one of the rigs of danger. There was some confusion over when the bomb or bombs were supposed to go off—one warning said two hours, another 16 hours. But the first deadline passed uneventfully at 1.30 p.m. yesterday.

Another rig mentioned in the warnings, the Santa Fe Oil Company's Britannia, was functioning normally while its crew of 34 checked for bombs. Security for North Sea oil platforms has long been a cause for concern.

At Heathrow airport a VC-10 was searched after 112 passengers were evacuated by chutes because of a bomb call. Nothing was found.

Protest over Papadopoulos

The Greek Government's decision yesterday to commute the death sentences on former President George Papadopoulos and two of his deputies in the former military regime, sparked demonstrations. About 500 extreme Left-wingers demonstrated outside Athens University calling for their execution and there was sharp reaction among opposition political leaders. Page 5.

Ulster talks

The inter-party talks in Belfast on possible new forms of government for Ulster resume today in a last effort to break the deadlock. But there is little optimism that any compromise can be reached. Back page.

Campaign for PM

A leftist military-civilian front is being formed in Portugal to help Premier Vasco Gonçalves to stay in office in the face of increasing pressure against him. In Timor, it is reported by refugees reaching Darwin, heavy fighting has left the streets of the capital strewn with bodies; shops are being looted and homes burned. Page 5.

Harriers sought

The U.S. Marine Corps is seeking approval for purchase of 340 more Hawker Siddeley Harriers. The Corps already has 100 of the British-designed vertical take-off fighters. Page 4.

Quiet holiday

Day trippers, heading for the coast, countryside and sporting events, brought a relatively quiet Bank Holiday weekend to life at the last stage yesterday. Generally, it has clearly been an "economy" holiday week-end this year.

People and places

Three British soldiers on a canoe training course in France were shot in the face after a dispute with a French barman. The barman was arrested.

Fire swept along the tarmac underneath Concorde at Heathrow yesterday after a fuel spillage, but it was quickly doused and there was no damage.

A national non-smoking day is being launched next year—on Ash Wednesday.

Hereford City and surrounding areas were shaken by an earth tremor on Sunday.

Moors murderer Ian Brady is on hunger strike because the Home Office refuses to move him from Wormwood Scrubs to another prison where he could mix with other prisoners.

Britain's liberated ladies prefer their men to have the "V-neck"—thin legs, medium-thick lower trunk, medium-wide upper torso—rather than be muscle-bound giants, says the magazine Behaviour Today. The pear-shaped, it says, have no chance.

BUSINESS

CBI, TUC to set up economic monitor

CBI, TUC and the Government are to hold a series of meetings to monitor the latest unemployment, prices and wages figures. The TUC contribution will be on wages—a circular has been sent out to all unions asking for reports on all settlements. At first the Government will meet the CBI and TUC separately, but tripartite meetings might develop. (Back Page.)

THE GOVERNMENT'S anti-inflation campaign enters its next phase with the distribution of propaganda pamphlets to more than 21m. households in Britain to rally support for the £8 limit. (Back Page.)

INTERNATIONAL MONEY FUND gave qualified support for the system of managed floating exchange rates in its annual report when it says that flexibility has enabled the world economy to withstand economic crises better. (Page 4). EEC finance ministers meeting before the IMF conference in Washington, see the possibility of agreement over gold and quota redistribution while avoiding confrontation over currency floating. (Back Page.)

NEW AID FOR THIRD WORLD

Ministers plan Solidarity fund

A SOLIDARITY FUND for development bank for the Third World is expected to be agreed by a conference of Non-Aligned Foreign Ministers meeting in Lima. All countries could be asked for a \$200,000 to \$300,000 subscription, with the fund topped up to \$750m. by richer countries. (Back Page.) World Bank experts expect the payments to reach \$100bn. this year, double the 1974 figure. (Page 5).

Closing the gap

COMMONWEALTH Finance and Trade Ministers are holding three-day talks in Guyana to agree a new and comprehensive programme to narrow the gap between rich and poor nations. The report entitled Towards a New Economic Order, envisages commodity prices indexed to the cost of manufactured goods and higher contributions for development assistance from richer countries. (Page 5).

EEC COUNTRIES' economies

will remain in the doldrums for another year, according to the latest quarterly forecast from the Henley Centre for Forecasting. Consumer spending and investment are expected to remain depressed for the next 12 months and EEC output to fall by 0.7 per cent this year. Output falls in U.K. and Italy are not being offset by signs of recovery in France and Germany. WEST GERMAN industrialists are more optimistic about business prospects. A survey of German business opinion reveals that industrialists feel the bottom of the recession has been reached. (Page 5).

LABOUR

SWAN HUNTER shipyard workers have been told by union officials that victory in their seven-week-old strike over a pay rise ruled out by the Government could result in the withholding of orders for naval ships. Page 7.

LADBROKES says its 11-week-long dispute with its betting shop staff has cost it about £4m. Page 7.

COMPANIES

TOYOTA MOTOR Company pre-tax profit for the seven months to June 30 increased from ¥17.9bn. in the preceding six months to ¥25.5bn. Export says Toyota did better than expected at 450,000 units. (Page 16.) Another foreign car manufacturer, Volvo, is to launch a new vehicle on the U.K. market in September.

WALL STREET, encouraged by Middle East peace hopes put on \$58 to 812.34.

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Vorster and Kaunda join lengthy talks at Victoria Falls

BY TONY HAWKINS, VICTORIA FALLS, August 25

The Rhodesian Constitutional Conference to-night ran into what Prime Minister Ian Smith called "unanticipated problems"—most of them on the other (African National Council) side.

Speaking to reporters after a five-hour-long afternoon session and nearly eight hours of talks, Mr. Smith said he had forecast that today's discussions would last only half an hour, because he had thought he would be dealing with "normal" people, but the ANC seemed to be a little "unnormal" at this time.

The two sides adjourned for dinner shortly after 8 p.m. Mr. Smith and his party returned to their hotel at the Victoria Falls, Mr. Smith warning the Press to expect a late night session, while the ANC delegation remained on the train at the bridge.

Mr. John Vorster, the South African Prime Minister, crossed back into Zambia for the third time today to dine with President Kenneth Kaunda, the Zambian President and was due to fly out to Pretoria soon afterwards. Both leaders had taken part in almost all the lengthy five-hour sessions of talks.

Rhodesian sources are giving no hint about the progress or otherwise of the talks, but the view here is that the presence of the South African Prime Minister and the Zambian President has forced the two sides to enter serious bargaining about the mechanics of the next stage of the talks.

Mr. Ian Smith's prophecy that the Falls meeting would be a purely formal signing ceremony has been proved wrong, but lasting not more than half an hour.



Mr. Vorster: Wide ranging series of discussions

hour has proved wide of the mark. Instead, after some eight hours of talks, points apparently agreed at Pretoria nearly three weeks ago are still under debate. The Rhodesians, apparently, are continuing to insist upon a Rhodesian veto for the meeting of the committees which will get down to substantive negotiations, while the Nationalists are anxious to secure a venue—where formal signing ceremony has been proved wrong, but lasting not more than half an hour.

Relations record could influence the financial and banking world's support, but the participation plan—details of which were released last week—had been too big, too total and presented too much.

Although yesterday's meeting at Stoke removed one of the biggest hurdles to the discussions, the unions' final decision on whether or not to go ahead with formal negotiations will come at a joint working party at the end of the week.

If it is decided to continue, all employees will get a £50 lump sum, promised well before the Chrysler's White Paper was published, with another £50 each if agreement is reached by the end of the year.

Of the other Chrysler plants, only Linwood in Scotland has still to make up its mind. The company said yesterday it had been told unofficially that the Ryton car assembly plant in Coventry was ready to go ahead with negotiations, as were workers at the Luton and Dunstable commercial vehicle factories.

White-collar workers were discussing the plan yesterday and today. They are believed to be in favour of formal negotiations.

Opposition to the plan is thought to be an expression of shop stewards' fears that their own bargaining power will be severely curtailed if pay negotiations move to the centre as Chrysler wants.

This movement has already been going on for a number of years. The company has been aiming for pay parity between its factories by next year, but at present still negotiates separately with 54 groups.

The other contentious proposal is for a standing panel of arbitrators which would be called in at an early stage of any dispute before strikes could break out.

As part of a wide-ranging plan aimed at improving the poor labour relations record, Chrysler has offered to put two worker representatives on its main 13-man Board.

There would be similar posts on the network of national and local decision-making committees and a new management-union employee council over similar councils in each plant.

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Rev. Ndabaningi Sithole of ZANU and Mr. James Chikerema of FROL would be asked to participate.

Predictably, virtually all the leaks are coming from the Zambian side of the border. These suggest, first, that Mr. Smith adopted a hard-line stance at this morning's meeting, sticking very close to the Pretoria Agreement and refusing to consider any deviations from it, and second, that the ANC was under pressure from the Zambian President to comply with the terms of the Pretoria Agreement, whereby all substantive talks would have to be held inside Rhodesia without Messrs. Sithole and Chikerema.

Whatever the fate of the Rhodesian talks themselves, however—and the outlook has brightened because of the presence of the South African and Zambian leaders—today will go down as an historic one for race and international relations in Southern Africa.

Mr. Vorster met with Dr. Kaunda for more than an hour early this morning, at the border town of Livingstone. Then the two men attended the opening session of the Falls conference before crossing into Rhodesia with Dr. Hilgard Muller, South Africa's Foreign Minister, and Mr. Reuben Kamanga, a Zambian Cabinet Minister, for talks in the personal coach of the general.

Continued on Back Page

Kissinger speeds up pace of peace bid

BY MICHAEL TINGAY

ALEXANDRIA, August 25.

AFTER five days of Middle East shuffling, U.S. Secretary of State Henry Kissinger, accelerated the pace of his mission when his entourage descended on Alexandria today for less than eight hours.

He left carrying with him what informed sources believed was the Egyptian reaction to Kissinger's long-formulated wording for an interim agreement in Sinai. It took only two meetings including a 45-minute private talk between Dr. Kissinger and President Sadat, before the Egyptian side convened to punctuate the Egyptian draft, which was taken back to-night to Jerusalem where Dr. Kissinger reported "very good progress."

Under the final formula Israel will retain the Sinai Peninsula, which is at Port Said, station south-west of the Giddi Pass and Egypt will have an equivalent station in the vulnerable northern lowlands in Sinai (both to be in a new UN buffer zone). Each will include American personnel who will also man a number of as yet unspecified posts in the Sinai passes.

More interesting, however, was the revelation over the week-end that Washington has agreed to meet with Israel over the nature of a U.S. commitment to Israel in the event of an attack by a third party.

While the details of the U.S. commitment to Israel awaits debates in Congress, top officials sources here were clearly satisfied at what they see as an irrevocable U.S. commitment to bring the U.S. in from the sidelines.

The U.S. side appeared to be looking beyond a Sinai agreement when Dr. Kissinger at today's Press conference referred to the importance of Syria in an overall settlement.

"An overall settlement must include all the countries and all the issues," he said. "I have expressed the willingness of the U.S. to help any parties, including Syria, to reach any interim agreement that can be negotiated and I expressed this view to President Assad."

At the same meeting President Sadat insisted there would be no secret provisions in the agreement.

UPI reports from Jerusalem: Israeli Foreign Minister Yigal Allon said the proposed interim peace settlement with Egypt would not allow Egyptian forces to occupy any Sinai desert territory now held by Israeli troops.

NEW PLANT 'VITAL'—BSC

Pay dispute delays start of furnace

BY HAROLD BOLTER, INDUSTRIAL EDITOR

AN IMPORTANT new blast "B" furnace at Llanwern is furnace development at the out of action for refining and will remain so for another ten months, so the works is down to single furnace operation.

In addition, technical problems have developed with the cooling towers associated with the operation of the two existing blast furnaces at Llanwern.

When the wind rises to force seven, or 32 knots, the management has to stop work and evacuate the area.

THE blast furnace, Llanwern "C" is the biggest and newest in Britain, comparable with some of those in operation in Japan. It is capable of producing 5,000 tonnes of iron a day, 2,000 tonnes more than the next largest furnace, which is at Port Talbot.

The delay in its commissioning, which should have begun in January, centres around a claim by the blastfurnacemen for special rates to man the new furnace.

Although they have not stated this publicly, it is understood that they are seeking rates which would work out at between £100 to £124 a week, depending on bonuses.

So far the BSC management has offered the National Union of Blastfurnacemen's members about £85 a week to operate Llanwern "C", including bonuses.

The gap is therefore large and at the moment there appears to be no sign of a settlement. Nevertheless, the Corporation is understood to have decided to begin the commissioning procedures in two or three weeks' time with or without an agreement.

Pay battle

In this way the dispute could be brought to a head forcing the Corporation to take a hand in a situation which is causing extreme concern to the BSC.

It is widely aware that if it gives the £90 blastfurnacemen at Llanwern as much as £40 a week extra in special payments for manning the first of the new range of blast furnaces needed as part of its policy of concentrating steelmaking on large complexes, it will run into an industry-wide battle over pay.

In addition to other blastfurnacemen making similar claims all over the country, it is probable that some of the Iron and Steel Trades Confederation's members, traditionally paid more than blastfurnacemen, would seek to maintain their differentials.

The delay in the introduction of the new "C" furnace has come at a particularly bad time for the Corporation.

At the moment its No. 2 for Works.

Chrysler stewards soften stance on participation

BY PETER CARTWRIGHT AND CHRISTIAN TYLER

CHRYSLER U.K. saw its revolutionary worker participation plan take an important step forward yesterday when hostile shop stewards withdrew their outright opposition to the scheme.

Stewards representing 4,500 manual workers at the Stoke engine plant in Coventry agreed to continue negotiations on the plan, which the U.S.-owned Chrysler has said it will do anything planned for any major manufacturing company in Britain.

The stewards' change of heart came after a direct appeal from Mr. Don Lancaster, Chrysler's managing director, who discussed the company's future with them for nearly an hour.

However, the stewards reaffirmed their opposition to the plan for central wage bargaining and to compulsory in-house arbitration on disputes.

After Mr. Lancaster's intervention the revised tactics were endorsed by a mass meeting at the plant.

Mr. Bob Morris, a senior shop steward, told the meeting the stewards were aware that the motor company's industrial relations record could influence the financial and banking world's support, but the participation plan—details of which were released last week—had been too big, too total and presented too much.

Although yesterday's meeting at Stoke removed one of the biggest hurdles to the discussions, the unions' final decision on whether or not to go ahead with formal negotiations will come at a joint working party at the end of the week.

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Opposition to the plan is thought to be an expression of shop stewards' fears that their own bargaining power will be severely curtailed if pay negotiations move to the centre as Chrysler wants.

This movement has already been going on for a number of years. The company has been aiming for pay parity between its factories by next year, but at present still negotiates separately with 54 groups.

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Dr. Burns: FED not prepared to offer emergency assistance.

New York "has ample time to prevent default"—Burns

BY GUY DE JONQUIERES

NEW YORK, August 25.

THE SPECTRE of imminent default which has haunted New York City intermittently for most of this year has suddenly taken on alarming new dimensions.

For the first time, public officials, including Federal Reserve Board Chairman Dr. Arthur Burns, are openly discussing the possibility that the city may prove unable to meet its financial obligations within the next few weeks and are seeking to assess the probable consequences.

In an unusual personal intervention this week-end, Dr. Burns made clear through newspaper and television interviews that the Fed is not prepared to offer New York emergency assistance to prevent a default if the city's access to further borrowing is closed.

In the event of a default, however, the Fed would stand ready to help out any commercial banks whose liquidity was imperilled as a result, as it did in 1970 after the collapse of the Penn Central railway company sowed havoc in the credit markets.

Dr. Burns said that a default sponsored by the city would be money on the city's behalf.

The corporation, known as "Big Mac," has so far sold two issues totalling about \$1.3bn. But it has been growing, despite opportunity to prevent a default. He praised recent moves by city officials to improve its fiscal management.

While Dr. Burns' remarks have brought some relief to the major commercial banks, they seem no more disposed than before to York, who said over the week-

end that unless the Federal Government supplies direct financial aid, the city's chances of avoiding a default are at best "only 50-50."

Though the Governor has pledged himself to help the city survive, his surprisingly outspoken forecast seems designed to put as much distance as possible between himself and Mr. Abraham Beame, the beleaguered New York Mayor, whom Governor Carey has chided repeatedly recently.

The mayor is assembling a crash package whose centrepiece is a freeze on new tax increases (to restore investor confidence) and a new appeal for an advance in state aid over the next few months.

But state officials say their own funds are running low. They have made it clear that the price for any new aid will be high, involving a further surrender by the mayor of his already diminished authority over the running of New York to the Governor and the state legislature.

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LOMBARD

Nobel thoughts on poverty

BY ANTHONY HARRIS

THE ANNUAL assault on our consciences from the World Bank will no doubt earn its usual sad salute from the West—high sentiments and good resolutions to be aired at the Commonwealth, EEC and IMF meetings, and as quickly forgotten. As a means towards any lasting improvement, the World Bank's eloquent reminders have proved, alas, about as effective as New Year's Day.

It seems particularly naive to hope for any unusually effective response in a year when Western governments are pretty distracted about their domestic problems. Yet for at least three reasons circumstances this year favour a more determined attack on the problem than in the past.

Reflectionists

First, there can be no doubt this year or for some time to come that the West could not increase its material effort without putting any strain on its productive resources. The idea that aid causes demand inflation has died, especially in Germany and the U.S., as the long debate on aid-linked SDRs has shown; but we are all reflectionists now.

Second, the upheavals in some of the poorest countries—certainly in Bangladesh and just possibly for perhaps only after a further coup in India—is throwing up Governments who might just possibly use aid to help the poor in their own countries, rather than to fatten the corrupt.

Finally, the post-Watergate investigations into the CIA in the United States has caused much re-evaluation there against past Western "support" for repressive and reactionary regimes. When Dr. Kissinger talks guardedly, as I have heard him do, of the need for internal reforms in poor countries, it is not only possible that he means what he says, but that the American diplomatic intelligence Establishment will act accordingly.

What sort of reforms are needed? When the President of the World Bank, Mr. Robert MacNamara, talks about land reform and the like, he is often denounced as a socialist; but that is a word which covers very different, and even totally contradictory, attitudes. The kind of "socialism" which is about distributive justice rather than State intervention is relevant here, and is supported by some

far from socialist leaders, including the Shah of Iran and, it seems possible, Sheikh Ahmed of Bangladesh.

When in Portugal, the Army commander, General Spínola, argues that the smallholders of the North must be regarded as just as "revolutionary" as the newly-endowed rural working class of the South, he is saying something apparently anti-socialist; but his meaning—that what matters is to get the land into the hands of those who work it, rather than to attack the institution of private ownership—is supported by the Social Democrats of Portugal and indeed by the reformist Communists of Italy as readily as by Mr. MacNamara. Huge scale land ownership leads to corruption and inefficiency, whether it is in Sicily, pre-revolutionary Portugal, or Soviet Russia. Talk of "socialism" only confuses this simple truth.

Despairing

These thoughts are partly inspired by recent events, but partly also by an interview broadcast last week with Gunnar Myrdal, Nobel prize winner, Swedish socialist, and perhaps the best thinker we have on the problem of poverty and development. In his last great book, *Asian Drama*, he gave a despairing picture of potential for development stultified by corruption and extreme inefficiency.

This is only the last in a line of theses confirmed by history. Myrdal and other Swedish economists thought through the Keynesian *made before Keynes* did; he was the first to analyse the problem of regional decline, the first to understand the American Negro problem and its working out as a drama of constitutional law. It is because he understands that economics cannot be effective as a mathematical abstraction, but must involve politics and values, that he can make such effective judgments. The fact that the system he has helped to run—Swedish economic justice, and equality and very short on nationalisation—has performed so well, as it is doing even at present—that he deserves attention for his central message: pursuing that economic justice, and a decent standard of welfare, and growth will look after itself.

One need not be a socialist to hope that he is right, and to want to see it tried.

CRICKET

Slow pitch key to victory

BY TREVOR BAILEY

THE TEST selectors have brought Arnold and Roope into the 12 who will be trying to win for England at The Oval on Thursday and square the series. They have understandably dropped Fletcher, whose recall at Headingley can only be described as a big psychological blunder, but Hampshire has every reason to consider himself unlikely to have been left out after only one game.

It has always been my view that, if a player is picked for a Test as a first choice batsman, not as a replacement, he deserved at least two matches. It might be argued that Roope, currently in good form and on the right side of 30, is a better prospect than Hampshire's attack, but it is difficult to understand why he was not preferred at Leeds.

Arnold, in conditions sympathetic to seamer and seam, is recognised as the most dangerous operator in the country, but given this fact it was somewhat strange that he was not included in the 12 for the last game against the Australians. With Snow a certainty it would appear that the final place now rests between the Surrey bowler and Old, who played at Headingley because both Lever and Hendrick were injured. Presumably the two spinners, Underwood and Edmonds, will be included in a game for which

six days are available and Woolmer will return, even if there is still some doubt as to his effectiveness as a seam bowler at international level.

What are the chances of an English victory? The answer must lie very much in the slow pitch. If it is slow and takes spin early, England will fancy their chances, but on a quick, true pitch Australia still appear to have the edge. What nobody wants is a wicket as completely dead as the one at the Oval last summer against Pakistan. That was so lifeless that an additional day would simply have prolonged the agony.

During the last week Lancashire reached the Gloucestershire attack by beating Gloucestershire, whose attack is probably the most insipid to be found amongst the counties. It turned out to be a closer contest than had been expected thanks to a superb century from Salih.

In the other semi-final Middlesex disposed of Derbyshire who have the bowling, but lack the batting strength. It is not without significance that the best innings in this game also came from an overseas product, Featherstone.

As a result the Londoners will be making their second appearance in a final at Lord's this summer. This is both unlikely and unique, because they can by no stretch of the imagination

be classed as an outstanding side. One would not, for example, fancy their chances overmuch of beating teams such as Hampshire, Leicestershire, Kent or Worcester in a limited over game.

Their batting remains unexceptional and their seam bowling rather more so. However, they have probably the best pair of spinners in the land. The success of Titmus and Edmonds in both knock-out competitions shows that there is room for the slow bowler in this form of the game.

East and Salisbury further underlined this point during the top of the table clash between Hampshire and Essex on Sunday in the John Player league. It is a hopeful sign, because a non-stop procession of scammers can only lead to monotony.

In their last match before the final Test the Australians were 227 ahead of Essex with eight second-innings wickets left at stumps in Chelmsford yesterday. Alan Turner, the Australian left-handed opener hit 116 n.o. He and Bruce Laird hit a partnership total of 185 in 147 minutes, equalling the best for any wicket of the tour.

Earlier, Essex batsmen handed out heavy punishment—McEwan 71, Gooch 68, Boyce 79 and Smith 46—before Essex declared at 8-338, conceding the Australians a lead of 27.

RACING

BY DOMINIC WIGAN

Two at Epsom for Richard Fox

BOB TURNELL, whose Ogbourne Maisey, Marlborough establishment is best known for its high-class National Hunt performers, appears to have a fine chance of landing today's feature event at Epsom, the Steve Donoghue Apprentice Handicap (3.10) with Buckie.

This chestnut five-year-old by Crockett out of Cullen, who won the Great Metropolitan Handicap on this course, returned to the smart summer form of last year when obliging in Salisbury's H. S. Lester Memorial Challenge Cup a fortnight ago.

There, Buckie, ridden as he is today by that highly accomplished apprentice, Richard Fox, kept going strongly under hard lengths behind the favourite, Paddy Jack, by half a length, with Ticerl another length away in third place.

With only 7st 7lbs in the saddle and the fast ground which suits him best, Buckie can follow up his Salisbury success by outpacing that game mare, Fair Camilla, whom he meets on level terms.

A second likely winner for Fox, who with 34 successes in riding second to Alan Bond in the Apprentice Championship, is

In The Balance, the bottom weight in the Fetham Handicap (4.15). Mr. Ravi Tikoo's Sir Ivor

EPSON

2.00—Sotos
2.10—Buckie*
2.40—Orina
4.15—In The Balance***

CHEPSTOW

2.15—Ann's Grey
2.45—Conciliation
3.15—French Princess**
3.45—September Star

RIPON

2.15—Fairgold
3.15—Beco

WARWICK

3.00—Mr. Resistor
3.30—Lady Cromwell

ance, she will be carrying only 7st 5 lbs.

At Chepstow, where Colum's half-sister, Conciliation, a good second in West Warrington in a field of 21 at Nottingham on her last appearance, can find compensation in the Castle Maiden Plate (2.45), the much-improved French Princess should take her winning second to four in the Lysagh Challenge Cup (3.15) which has cut up rather disappointingly.

Geoff Lewis, whose tally for the season stands at 62, cannot have pleased too many forecasters in the opener at Epsom when he was beaten by the favourite, Skipper Olivier de Kersauson, said that his crew of 14 will be working 16 hours a day for the next four days to catch up on the backlog of work that still has to be completed. This includes the virtual reconstruction of the main cabin after the structural strengthening to the hull was recently completed on the south coast.

The four entries for the Clipper race, the Dutch yacht "The Great Escape", the Italian yacht CS & RB and the British and French rivals all now lie in St. Katherine's Yachthaven.

YACHTING

BY ALEC BEILBY



The crew of the Italian entry RS & RB II Busnelli was the first of the competitors for the FT Clipper Race to arrive in the Pool of London.

Kriter still has problems

THE POOL of London has taken on an air of historical unreality during the Bank Holiday weekend with the arrival of five fully-rigged training ships from four nations as well as a host of smaller yachts and sailing craft of every description.

Amid this impressive spectacle, thousands of Londoners and many visitors saw the arrival of the fourth of the yachts that will set out on the Financial Times Clipper race from the Thames estuary at dawn and back at the end of the week.

She is the 90-foot ketch Kriter, formerly the British yacht Burton Cutter, now racing under the French flag as a direct challenge for line honours to the joint Services ketch Great Britain II.

While the servicemen aboard Great Britain II maintain an apparent aura of preparedness about their yacht, the French crew appear to have problems. Skipper Olivier de Kersauson said that his crew of 14 will be working 16 hours a day for the next four days to catch up on the backlog of work that still has to be completed. This includes the virtual reconstruction of the main cabin after the structural strengthening to the hull was recently completed on the south coast.

The four entries for the Clipper race, the Dutch yacht "The Great Escape", the Italian yacht CS & RB and the British and French rivals all now lie in St. Katherine's Yachthaven.

In the pool the Danish square-rigger Georg Stage has been delighting spectators with a demonstration of sail-setting each morning. The first display raised spontaneous cheers from the crowd as four crew climbed down the yard-arm having set and then reefed all her sails.

Justinian is on holiday. His column will reappear on September 1.

Although the river already seems crowded, there are still 66 sailing ships to arrive from the training ship race from den Helder to the Thames, the leaders being expected in the joint Services ketch Great Britain II.

Below Tower Bridge the Portuguese training ship Sagres lies alongside the Russian ship Tovarishch. Further upstream, alongside the cruiser HMS Afridi, the West German barque Gore-Fock, brightens the normally drab skyline of warehouses and wharves south of the river.

In St. Katherine's Haven, apart from the Clipper Race contestants, is a collection of veteran ocean racing boats. It includes the British schooner La Goleta and the winner of the first Legat race in 1925, Jolie Brise.

A former French pilot cutter now registered in Portugal, the Admiral's Cup, recovered for Britain by the yacht Noryema, Yehman and Battley earlier this month, is on display

nearby—taking pride of place in the new dockside showrooms.

Today, while the remainder of the training ships arrive and further colour is added to the already colourful scene, the regatta from the training ships will hold the first heats of rowing races in naval boats in the Upper Pool, the finals of the contest being held on Thursday. Cadets are to take part from all 15 nations represented in the week-long Festival of Sail, organised by the Port of London Authority.

POWER BOATS

UNO-Embassy breaks record

By Stewart Alexander
UNO-EMBASSY, owned by Colonel Ronnie Moore and property man Harry Hyams, won the Embassy Daily Express Cowes-Corral Cove powerboat race at the weekend. Driven by her designer, Don Sheard, she covered the 25-mile course at a record 72.88 mph.

Conditions were calm and winds relatively light as she was chased home by Brazil's world champion front runner, Wally Franz in Fangame Grims. He like many others, suffered from mechanical hiccups and although leading on his return past Yarmouth was overtaken by Sheard on the run in.

In third place was last year's winner, Dr. Martini, driven by Carlo Bonomi.

TV Radio

* Indicates programme in black and white.

BBC 1

9.55 a.m. Wacky Races. 10.05 Robinson Crusoe. 10.30 The Revolver Breakers. 10.55 Cricket: Yorkshire v Lancashire. 1.30 p.m. Bagpuss. 1.45 News. 1.50 Build-up. 2.15 Cricket: Yorkshire v Lancashire. 4.15 Interval. 4.25 News. 4.30 The Revolver Breakers. 4.45 Sir Prancelot. 5.45 News. 6.00 Nationwide (London only). 6.20 "Tarzan's Secret Treasure". 7.10 "Jarring Johnny Weissmuller". 7.15 (W) Strike North. 8.40 News. 9.25 My Honourable Mrs. starring Derek Nimmo. 9.55 And So We Say Farewell.

10.45 Going Places. 11.15 Regional News. All regions as BBC 1 except at the following times: Wales—5.15-5.40 p.m. Arch No. 6.00-6.25 Wales To-day. 6.25-6.50 To-day. 6.50-7.15 The Slits. 7.15-7.40 Wildlife Safari to the Argentine. 10.45-11.15 Journey to the Far East. 11.15 News and Weather for Wales. Scotland—6.00-6.20 p.m. Reporting Scotland. 10.45-11.15 The Rough With The Smooth. 11.15-11.45 Nairn's Journeys. 11.45 Scottish News Summary. Northern Ireland—4.25-4.25 p.m. Northern Ireland News. 6.00-6.20 Scene Around Str. 10.45-11.15 Celebration of Summer in words, pictures, music. 11.15 Northern Ireland News Headlines. England—6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands (from Birmingham). Look East (from Norwich). Points West (from Bristol). South To-day (from Southampton). Spotlight South West (from Plymouth). 10.45-11.15 North. 11.15 Summer Interview. North West (from Manchester). A Time To Change Gear. North East (from Newcastle). Best's South-North. 11.15-11.45 Midlands. Personal Account: West (from Bristol). A Last Chance. South West (from Plymouth). Peninsula South (from Southampton). A Secret (from East). Secret (from Norwich). On Camera.

BBC 2

11.00 a.m. Play School. 4.30 p.m. Cricket: Yorkshire v Lancashire. 7.20 News. 7.45 Six From The Sixth. 8.10 Jazz Ship: Lionel Hampton and his Orchestra. 19.00 Tuesday Cinema: "Citizen Kane" starring Orson Welles. 10.55 News Extra. 11.25 Closedown: Robert Gladwin reads "The formers" by Thomas Hardy.

LONDON

10.55 Animated Classics. 11.40 Galloping Gourmet. 12.05 p.m. Rush Boy. 12.30 Sally and John. 12.40 M. Trumble. 1.00 First Report: News. T. Index. 1.30 Lunchtime To-day. 1.30 A Regional Flavour. 2.00 Good Afternoon. 2.25 Rivington. 2.50 Epsom. 4.25 Great Little Trains of Wales. 4.50 Magpie. 5.20 Shang A Lang. 5.30 News From ITN. 6.50 To-day. 6.55 Crossroads. 7.00 Here We Go Again. 7.20 Tuesday Mystery Movie. 9.15 Gooding's Travels.

RADIO 1

10.55 Superhit broadcast. 11.00 a.m. As Radio 2. 7.00 Paul Burnett. 9.00 Tony Blackburn. 12.00 Noel Edmonds. 12.30 The Radio 1 Soundshow. 12.50 p.m. News. 1.00 The Radio 1 Soundshow. 1.30 p.m. News. 1.45 Johnnie Walker. 2.00 David Hamilton (1st) on VHF. 2.30 News. 3.00 Alan Turing. 3.10 Club Chat. 3.10-3.25 a.m. As Radio 2.

RADIO 2

1.00 p.m. News Summary. Weather. 1.30 p.m. News. 1.45 p.m. News. 1.50 p.m. News. 2.00 p.m. News. 2.15 p.m. News. 2.30 p.m. News. 2.45 p.m. News. 2.55 p.m. News. 3.00 p.m. News. 3.15 p.m. News. 3.30 p.m. News. 3.45 p.m. News. 4.00 p.m. News. 4.15 p.m. News. 4.30 p.m. News. 4.45 p.m. News. 5.00 p.m. News. 5.15 p.m. News. 5.30 p.m. News. 5.45 p.m. News. 6.00 p.m. News. 6.15 p.m. News. 6.30 p.m. News. 6.45 p.m. News. 7.00 p.m. News. 7.15 p.m. News. 7.30 p.m. News. 7.45 p.m. News. 8.00 p.m. News. 8.15 p.m. News. 8.30 p.m. News. 8.45 p.m. News. 9.00 p.m. News. 9.15 p.m. News. 9.30 p.m. News. 9.45 p.m. News. 10.00 p.m. News. 10.15 p.m. News. 10.30 p.m. News. 10.45 p.m. News. 11.00 p.m. News. 11.15 p.m. News. 11.30 p.m. News. 11.45 p.m. News. 12.00 p.m. News. 12.15 p.m. News. 12.30 p.m. News. 12.45 p.m. News. 1.00 p.m. News. 1.15 p.m. News. 1.30 p.m. News. 1.45 p.m. News. 1.50 p.m. News. 2.00 p.m. News. 2.15 p.m. News. 2.30 p.m. News. 2.45 p.m. News. 2.55 p.m. News. 3.00 p.m. News. 3.15 p.m. News. 3.30 p.m. News. 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Mary Stuart

by ELIZABETH FORBES

Not even Maria Malibran, the has an impregnable belief in her most illustrious among previous own innocence that gives fearful exponents of the role, could have strength to her insults at the surpassed the dramatic variety, fatal encounter in the park at the complete involvement, the Chatsworth. Though it is impossible not to stress the dramatic side of her performance of the tragic Queen Elizabeth I, Miss Baker also of Scots in Mary Stuart at the sings very beautifully, using all the traditional forms of 19th century opera, as well as a National Opera's recent tour, discreet amount of vocal John Copley's production of purely expressive purposes. Donizetti's opera has not been seen in London, owing to last year's industrial dispute, since its initial performances during the 1973/4 season. At that time the production, Desmond Heeley's sets and costumes, as well as the performance, were warmly praised, but surprise was expressed that an opera by Donizetti could provide such an overwhelming theatrical and musical experience.

Such an apology is no longer necessary. It can be taken for granted, surely, that directors of the calibre of Mr. Copley, conductors as distinguished as Charles Mackerras and singers of the eminence of Miss Baker are not wasting their time or lavishing their gifts uselessly on an opera like Mary Stuart. It can even be admitted that a German and an Italian have something to teach the British when it comes to the interpretation of their own history: though Elizabeth I of England and Mary, Queen of Scots did not, in fact, meet face to face, as they do in Schiller's play or in Bardani's libretto, it is artistically right that the bitter rivalry between the two royal ladies should be symbolised by a direct confrontation. Miss Baker paints a thoroughly sympathetic and appealing portrait of Mary, but does not try to obscure the besetting sin of the Queen of Scots. Whether kneeling in the dust at Elizabeth's feet, confessing her past misdeeds to Leicester or bidding farewell to Leicester on the way to the scaffold, she is upheld by pride, a pride that is every bit as rigid and inflexible as the Tudor princess's. Indeed, throughout the opera, it is not Mary, but rather Elizabeth, who is continually tormented by doubts and uncertainties. Mary



Ava June as Queen Elizabeth I

Gift of jewellery to the V & A

A wide-ranging collection of jewellery that has long been loan to the V & A, has now been presented to the museum by its owner, who prefers to remain anonymous. The collection contains many pieces not represented in the museum's permanent collection, or superior to similar specimens therein. The gift is on display in the Jewellery Gallery Rooms 91-93.

Covent Garden street theatre

The Covent Garden Community Theatre Workshop presents *Mud Solad*, a new musical entertainment starring Neil Gwyn, Charles II, the Earl of Bedford, and Covent Garden, written by Richard Robinson, music by Pam Obermeyer, lyrics by J. Alexander Ryan. *Mud Solad* is being performed under the Portico of St. Paul's Church, Central Market Piazza, Covent Garden, W.C.2, until Friday, August 30 at 1 p.m.

COLD LA INA

The aperitif of the aficionado

EDINBURGH FESTIVAL

Scottish National Orchestra

by RONALD CRICHTON

The opening concert of the to-night. There was a contemporary Festival, with the Scottish poetry work, the Symphony No. 2 of Robin Orr, whose new under Gibson, was overclouded opera, *Hermiston*, will be heard by the news of Claudio Arrau's pure first given in Glasgow in 1971, in shone again when it was a shortish work in two parts, announced that Daniel Barenboim which the second has an extension, in spite of preoccupation ded slow introduction doing with a new production of *Figaro*, duty for slow movement. The Diamond's announcement from germ of what follows, promises the platform that Barenboim had injured his hand, that it was hoped he could play, but that the concerto must come last, brought the clouds back. In the end, after a long interval, all was well. Barenboim duly appeared amid grateful, admiring applause. To play Beethoven's Emperor Concert and to give a reading generous in tone, spacious in conception, fine in detail (how well he shapes phrases containing a turn), only showing passing nervousness under the strain of Finn's brand of mildness in the Third and Sixth Symphonies, for example, is extremely deceptive. In any case, in Orr's quick material there is surely more than Shostakovich, without the am-

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more than this performance at any rate revealed. The orchestral writing is lean, but there is not much sign of sinew in the music, substance. The effect was likeable but mild. Sibelius may have been in the words of the programme annotator, "the impeccably assured, untroubled source of Finn's brand of mildness in the Third and Sixth Symphonies, for example, is extremely deceptive. In any case, in Orr's quick material there is surely more than Shostakovich, without the am-

Norwegians and Germans

by B. A. YOUNG

Only two new plays at the Traverse this year, though the theatre is entertaining four visiting companies and mounting a Festival of International Political Music. C. P. Taylor has done another rewriting job. Last year Schöppel is already scheduled for London, but this version of *Peer Gynt* is hardly such popular material. Ibsen's great poetic masterpiece has always proved intractable to stage. Mr. Taylor has reduced the company to nine actors and two musicians, playing a score of parts between them—more of an achievement than it may sound, for no fewer than three of them play *Peer*. There is an old, mature *Peer* (Michael David), who meets the Button Moulder in the first scene and is challenged to prove that his life was not a total zero. There is a young *Peer* (Andrew McCulloch) who corresponds pretty well with the *Peer* we know in the familiar version; but there is also a *Peer* (James Snell) who is called in to act out young *Peer*'s delusions of grandeur in a suitably grand manner.

Most of the story is included in this version. Anne (Jean Faulds, often sounding curiously like Dame Sybil) is spared the long lie about the ride through the mountains, the fantastic being as far as possible reduced to practical terms. The orchestra becomes a community of mountain goatherds whose extra-human quality exists only in their behaviour. *Peer*'s commercial career consists of a stint on a sailing ship and an arm deal with a German general. There are no lunatics, other than those who represent humanity as Ibsen, by way of Mr. Taylor, presents it. Mike Ockrent's production fits the play with scenes, staged cleverly into the little stage you might have expected to find in the Traverse's Mappin Terrace seating. A couple of before,

prosa, a change of costume when necessary, and a new scene is set. There is little poetry left in Mr. Taylor's dialogue; his concern is solely to provide for a 1975 audience impacts comparable with Ibsen's effect on his contemporaries. The result is a kind of mnemonic version of the play, in which its content is presented without the frills. There is enough in the content to hold the interest; without the poetry, one must do what one can with the adventure story. This version lasts only 90 minutes (played without an interval), this works all right.

The playing is uniformly competent. Besides the three *Peers*, I admired Finlay Welsh (an adept at dialect) as the goatherd-cum-Troll King and the captain of the slaves; Meg Davies playing variations on a theme as Ingrid and the herd-girl; and Susan Carpenter as Solveig (and rather unexpectedly the Virgin Mary. Most of the music appears in the latest Stanley Eveling extravaganza, *The Dead of Night*. This is set in Berlin in April 1945, at the entrance to Hitler's bunker. The theme is the universal brotherhood of man, which Mr. Eveling illustrates with a confrontation between Alyosha, a Russian soldier, and Stepan, a German soldier who turns out to be really a Pole, but it is casually thrown together with other things. There are good scenes, notably one where Stepan voices his reactions to Beethoven's Choral Symphony; but it is casually thrown together with other things. There are good scenes, notably one where Stepan voices his reactions to Beethoven's Choral Symphony; but it is casually thrown together with other things. There are good scenes, notably one where Stepan voices his reactions to Beethoven's Choral Symphony; but it is casually thrown together with other things.



Henrietta Baynes, Elizabeth Tyrrell, Stephen Murray and David Timson

Mermaid

On the Rocks by B. A. YOUNG

The skipper having continued too long in his cabin drinking bottled ditchwater, England in other hand, are not much more on the rocks. Shaw has borrowed the social situation of the 'thirties for his play, which is really a kind of dramatic leading article. The unemployed are demonstrating all over London; wage cuts are the order of the day; a coalition National Government sits at Westminster, though its leader is nothing like Ramsay MacDonald. The Prime Minister is a Liberal, Sir Arthur Chavender, Harrow and Oxford, a great believer in government by oratory.

Sir Arthur, who is given a delightfully bland performance by Stephen Murray, an actor we could do with more of, is led, through improbable but characteristically Shavian circumstances into which I needn't go into reading the collected works of Karl Marx. At the Lord Mayor's banquet he unexpectedly announces a programme that includes the nationalisation of land and the banks, compulsory labour, the legal banning of strikes, and the abolition of rates.

His proposals meet with acceptance from all but one of his colleagues (a run lot). The Services are delighted at increased pay and additional armaments; the Board of Trade holds that, relieved of rates, business will boom; wealthy industrialists welcome the new availability of land and wealthy landowners their freedom from estate duties. In the Government, only the former Tory leader objects, and reacts with wilder, more than a force of Union Jack Shirts. At the opposite side of the political spectrum, a delegation from the Isle of Cats whose approval was counted on, and compulsory work and illegal strikes more than they can take. The Tory breaks off the coalition, and Sir Arthur withdraws from politics for good. On the Rocks was written in 1938. Shaw was nearly 80, and his pristine delight in revolutionary politics was much dimmed. The play contains a lot of political talk that virtually resolves itself into a series of public speeches. Some of them are entertaining, some of them very attractively delivered—by Bernard Miles as a freelance Socialist, for example, by Renu Setna as a millionaire Indian industrialist, by David Bird as heard, has been elaborated into Kingsley.

Besides politics there is some trivial domestic comedy best forgotten, apart from Janet Chappell's charming performance as Alyosha Brollkins, a bright Socialist working-girl with an eye on the Prime Minister's son David. All the action takes place in the Cabinet Room at Number Ten (a handsome design by Bernard Cusshaw), which is can approve with later knowledge of their activities. He had friends, colleagues and electors, learnt to despise them five years later in Geneva, but there it seems to have been their person- argument and family larks into a smoothly-running affair well that he objected to. On the Rocks worth the attention of those who concludes with an offstage mmb like late Shaw—a commodity at singing Edward Carpenter's "England, arise!"

Albert Hall/Radio 3

LPO by MAX LOPPERT

Three performances of the a tidy envy, formal clarity and same new composition in less control are complete, evident to than a year is, these days, uncommonly good going. Alexander Goehr's *Metamorphosis*, commissioned by the London Philharmonic and first to a modern inner sensibility of played last November, with a energy and excitement; these are repeat late in the season, began familiar Goehr characteristics—Friday's Prom. This per- severance speaks well of the conductor, Bernard Haitink— and better of the piece itself. After Friday's account I found myself even more delighted by the music, its cool sensuousness New Mr. Haitink and his orchestra was sustained after the interval, during Mahler's First Symphony, how especially its *Ländler* movement here a rock-steady tempo, in combination with a full-blooded, thumping relish of parody and imitation, worked wonders (Mr. Haitink is, on this form, a natural conductor for Vozacek). Admiration, too, for the accompaniment in Beethoven's *Ahl perfidio*, given between Goehr and Mahler; but this was de- Setna as a millionaire Indian industrialist, by David Bird as heard, has been elaborated into Kingsley.

Coliseum

Carmen

by ELIZABETH FORBES

Vicki Baum, a lady extremely well defaced of José and his knowledgeable on all matters knife. Her singing is accom- operatic, once novel, and full of urgency, but round a performance of *Carmen* does not make quite the impact at the Metropolitan. It was an in this role as it does, for in- evening filled with incident: stance, in parts such as Wal- Carmen, a soprano of uncertain trauie, Fricka, or Agave in The years and nationality, had only *Bussardis*.

At the initial performance of the opera this season, in there was no time for rehearsal —luckily she had once been August, Anne Conoley, due to married to the conductor. Don sing Micaela for the first time, José, a young American tenor was indisposed and had to be replaced by Valerie Masterson. Now recovered, Miss Conoley has the margins of a good He was madly in love with Micaela, but at present she tries too hard to act the innocent young girl and also injects too much conscious expression into her singing, thus distorting the flowing, Gounod-esque vocal line scene by Zuniga, another youthful American, with "a voice like black velvet."

The point of this story is not that any such incidents happened during the English National Opera's performance of *Carmen* at the Coliseum on Friday night, on the contrary, everything went perfectly smoothly — but that a certain amount of emotional drama is absolutely essential to Bizet's opera, and on Friday not much emotion and very little drama were to be seen. The performance, despite a vivid and convincing portrayal of the title role by Katherine Pring. *Carmen*'s gypsy fatalism makes her, after the first act, a passive character so far as the plot is concerned. Don José is the real protagonist, as in Mérimée's original story — and not even the most talented singing actress can ignite the opera entirely by herself. Miss Pring has the voice, the temperament, and the looks for *Carmen*, but it is indicative that the most striking moments in her interpretation are all instances of complete immobility. She has four of these heart-stopping freezes, one to each act: the moment at the end of the Habanera when she first notices Don José; the hiatus in the middle of the quietest when she confesses her love; the sequence during the opening verses of the Card trio as *Carmen* listens silently to the other girls; and her final back-to-the-

Paintings of maritime London

An exhibition titled *London —The City and Its Port*, embracing 1,000 years of history of the River Thames and the City, will be opened to-day by Admiral Sir Charles Madden, chairman of the Board of Trustees of the National Maritime Museum, at Guildhall Art Gallery. Some 300 paintings are included in the exhibit, mounted by the Port of London Authority and the Corporation of the City of London as part of the celebrations of London's Clipper Regatta Week. It will continue at the Gallery until September 4. The exhibition's theme will be the commerce and environment of the Thames, depicted in oils, water colours and prints. It will include traditional scenes of earlier centuries and modern works by living artists.



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This announcement appears as a matter of record only. August 1975.



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BANK OF AMERICA

A BIG SWISS BANK REPORTS

Total assets up
In the second quarter of 1975 the total assets of Credit Suisse grew by Sfr. 843 million to Sfr. 35.6 billion. Under the influence of the economic recession and the resultant increase in liquid funds, customers' deposits moved up appreciably despite declining interest rates and now amount to Sfr. 20 billion, a rise of Sfr. 864 million (4.5%).

Slowdown in economic activity

The slowdown in economic activity and the stagnation of world trade is also reflected in the pattern of assets. There was decreased utilization of overdraft facilities by both domestic and foreign customers. How-

ever, the demand for credit from public authorities remained lively, as did that from the private sector for export financing and, increasingly of late, for building projects. Overall, outstanding loans were up by Sfr. 238 million to Sfr. 13.1

billion. With loan demand quieter, and as a result of the significant inflow of deposits, liquidity reserves climbed substantially. The bank's capital and reserves rose by Sfr. 9 million to Sfr. 2.1 billion.

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Increased earnings

The main increase in earnings during the first half of 1975 compared with the same period last year came from the bank's brisk securities and foreign exchange business. The rise in earnings from overdraft transactions slowed down, and income from bullion dealing contracted. Net profits, which since last March have to cover dividends on the substantially increased share capital, were satisfactory.

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HOME NEWS

Hugh Jenkins speech seen as challenge to Wilson

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE PROPOSALS made by Mr. Reg Prentice, Minister for the Arts, that MPs should be given the power to elect a Labour Cabinet, is seen as part of a growing campaign inside the Labour movement to boost the influence of party activists. The campaign is likely to come to a head at the party conference in six weeks' time when Left-wingers will press the National Executive to produce a special report on a suggestion that the party leader and the annual conference. Although not going so far, Mr. Jenkins' advocacy of direct elections by MPs and more power to party activists is being interpreted as a challenge to Mr. Wilson's authority. It appears to conflict directly with the advice given by the Premier in his television broadcast last week that the public should not allow minorities to run its affairs. In a clear reference to the

recognition of party activists "who were the salt of politics but who, at present, got short shrift." "It is time for our party to accord to annual Conference and to its NEC a position of participation in decision-making, no less than that which we are advocating shall be the right of employees of firms in the managerial decisions of their companies." Not surprisingly, Mr. Jenkins came under attack from several moderate Labour MPs, particularly because he seemed to be dismissing the concept of an MP's individual conscience. He also appeared to be advocating that an MP should be a delegate rather than a representative. But in an interview on BBC radio after delivering his speech, Mr. Jenkins insisted he was "wholly hostile" to any suggestion that an MP should lose the freedom to decide his own course of action.

National Savings boosted to £11bn.

By Christopher Hill
IN SPITE OF the traditional seasonal influence of withdrawals during the holiday season, National Savings had another good month during July. As a result, the total sum accumulated in all forms of National Savings (inclusive of National Interest) exceeded £11 bn., standing at £11.05 bn. at the end of the month. Over the four weeks to end July 26, the net inflow of new saving amounted to £374m. and—once net interest was added—the result was a £2.1m. improvement on the previous month and 100m. better than the equivalent month last year. As in June, the big boost to the savings figure came from the index-linked retirement

More Home News Pages 7 & 17

certificates with receipts of £49.1m. This was somewhat less than the figure for June, but brought total sales of these certificates to over £114m. during the two months in which they have been available. Since the end of July the total has risen to over £150m. There was also a first contribution from the new index-linked SAYE contract which was launched on July 1. This is not particularly significant in terms of the total National Savings receipts for the month, amounting to just over £200,000. But by August 1 over 132,000 contracts had been accepted and the average monthly payment is much higher than it seems from the figures available for the first time lag between the acceptance of contracts and payment of the first contributions. Apparently the average is between £14 and £15 per month and the main thrust of employers' schemes is still to come. There has been a very heavy demand for particulars from employers.

Call for direct labour probe

Financial Times Reporter
A FULL-SCALE investigation by the all-party Commons expenditure committee into the performance and accountability of local authorities' direct labour building departments is being asked for by a national building chief. Mr. Ernest Smith, president of the National Federation of Building Trades Employers, criticises the Government's policy of encouraging the expansion of direct labour departments as "irresponsible and inflationary." "We are enjoined by the Prime Minister to buckle down and fight against inflation. Yet what could be more inflationary in our own industry than the wasteful and inefficient operations of many direct labour building departments which seem to ignore the elementary principles of public accountability."

Statisticians 'have role in policy making'

A CALL for the closer involvement of statisticians in Government policy making came yesterday from Sir Clive Moser, head of the Government Statistical Service. Addressing the American Statistical Association in Atlanta, Georgia, he said: "I reject the old-fashioned concept of the statistician as a purveyor of pure facts and quite disconnected from the activities of users—whom for us must mean policy-makers." He went on to emphasise the diverse responsibilities of the statisticians. "We simply have to accept," he declared, "that we are now front row men—not back row boys—and we have to live up to this role. We have to accept that the stakes involved in good economic and social policies are enormous, and that we have a good share of the responsibility."

OBITUARY

Sir John Waldron

SIR JOHN Waldron, Commissioner of the Metropolitan Police from 1968 to 1972, has died aged 85. Sir John began his career with the Metropolitan Police in 1934 and during the war was seconded to the Ceylon police force. He became Lancashire's Assistant Chief Constable in 1951 and Chief Constable of Berkshire in 1954 before returning to the Metropolitan force as Assistant Commissioner in 1959.

KOREAN LEATHER & FOOTWEAR SPECIAL SHOW

Hilton Hotel, Park Lane, London W.1.
Sept. 1st, 2nd, 1975 (9.30-12.30, 1.30-5.00)

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FT GROCERY PRICES INDEX

Big increases in dairy produce offset by falls in sugar costs

GROCERY PRICES, as monitored by the FT Grocery Prices Index, remained fairly stable in August despite a big rise in the cost of dairy produce. The index rose by just 0.78 points in the month to reach 158.23 and though it now stands 30 per cent above its August, 1974, level, the August figure is still well below the June level when the index reached an all-time high of 193.02. The £5.90 rise in the dairy bill was largely due to the 1p increase in the price of a pint of milk at the beginning of the month. As the 11 shoppers for the index buy 45 pints of milk each, this rise alone put almost £5 on the dairy total. Eggs were responsible for most of the rest of the increase, with most shops charging at least 2p a dozen more than earlier in the summer when prices were very low. The other big rises this month were in the canned and non-food

sectors. Tinned food prices were hit by both the higher price of the new season's crop and the lower buying power of the pound abroad. Sardines were 5p a tin more in all the shops used, while fruit cocktail was around 2p a can dearer in most shops. The price rises in the non-food sector were spread across a wide range of products. Razor blades were at least 1p a packet more expensive than last month in most shops, while several main brands of detergent were also dearer. Vegetables

FINANCIAL TIMES SHOPPING BASKET

	August £ p	July £ p
DAIRY PRODUCE	92.03	85.13
SUGAR, TEA, COFFEE, SOFT DRINKS	45.43	47.90
BREAD, FLOUR, CEREALS, ETC.	63.44	64.17
PRESERVES AND DRY GROCERIES	26.48	26.80
SAUCES AND PICKLES	16.59	16.81
CANNED GOODS	28.18	26.21
FROZEN FOODS	28.91	28.51
MEAT, BACON, ETC. (FRESH)	131.52	131.71
FRUIT AND VEGETABLES	84.08	88.50
NON-FOODS	44.33	43.22
TOTAL	559.29	554.96

INDEX
1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.40; Sept. 105.24; Oct. 104.35; Nov. 105.48; Dec. 108.26.
1972: Jan. 109.18; Feb. 109.10; Mar. 109.24; April 108.04; May 109.34; June 115.97; July 111.97; Aug. 113.40; Sept. 112.14; Oct. 113.15; Nov. 111.48; Dec. 114.49; Jan. 114.72; Feb. 114.72; Mar. 114.72; Apr. 114.72; May 114.72; June 114.72; July 114.72; Aug. 114.72; Sept. 114.72; Oct. 114.72; Nov. 114.72; Dec. 114.72.
1973: Jan. 117.56; Feb. 119.25; Mar. 120.53; April 123.50; May 125.57; June 128.81; July 127.64; Aug. 126.59; Sept. 129.39; Oct. 138.83; Nov. 135.83; Dec. 138.24.
1974: Jan. 141.41; Feb. 141.52; Mar. 147.46; April 143.23; May 142.64; June 145.17; July 147.97; Aug. 148.22; Sept. 148.22; Oct. 150.5; Nov. 156.39; Dec. 159.15.
1975: Jan. 162.84; Feb. 167.77; Mar. 173.50; April 178.39; May 183.41; June 193.02; July 188.45; Aug. 189.23.
The index is based on the prices paid by 11 shoppers around the country. The shopping, which was done in supermarkets and independent grocers, was carried out last Tuesday.

EEC investment decline forecast

FINANCIAL TIMES REPORTER

CONSUMER SPENDING and investment in Europe are both expected to remain depressed during the next 12 months, according to the latest quarterly Framework forecast for the EEC economies from the Henley Centre for Forecasting. The Henley Centre projects that overall fixed investment in Europe will decline by between 7 per cent. and 8 per cent. this year, although there are reported to be indications of a small increase in France in the second half of this year. Pointing out that falls in output in Italy and the U.K. are not being offset by delayed investment in Germany and France, the report forecasts that EEC output as a whole will fall by 0.7 per cent. this year. A recovery is forecast for next year, when total output is

projected to rise by 4 per cent. In the U.K., total consumption will be very flat during the next 12 months and industrial production is not forecast to begin recovering until the second half of 1976. The study predicts that the short-term improvements in EEC member countries' balance of payments will deteriorate as economic recovery gathers pace next year.

Insurance investment talks

BY ERIC SHORT

DISCUSSIONS are taking place between the Department of Trade and the Insurance industry concerning the restrictions to be placed on the investments of insurance companies. Such a move would be made by Regulation under the provisions of the Insurance Companies Act, 1974, and would represent a further step by the DoT in strengthening the financial stability of insurance companies. The Department is however solely concerned with the solvency of insurance funds and has already made Regulations about the types of assets and the methods of valuing them that are

admissible to demonstrate solvency against the company's liabilities. The next step being taken is to impose a limit on any one asset being used in this solvency demonstration. This limit will take the form of a percentage of the insurance fund covering the liabilities. The insurance industry has accepted the principle of limitation and the discussions are concerned chiefly with settling the limits. For instance, different levels could apply to varying types of investment, a lower limit for unquoted securities compared with quoted ones. No indication has yet been

Underwriters' profit bid

MARINE underwriters in the British market have taken firm steps to try to restore profitability to their accounts through extensive revisions of the Joint Hull Underwritings Underwriting Committee's guidelines widely followed in the London market and overseas. As a result of the revisions, which have been circulated to underwriters and brokers, shipowners can expect higher insurance costs, and those owners whose claims experience is less than satisfactory will pay sharply increased premiums for their hull insurance when policies are renewed. After two good years in 1971 and 1972, marine underwriting experience started to turn sour in 1973, moving heavily into the red in 1974 and the current year. Although two lots of revisions were made to the understandings last year, they failed to have any worthwhile impact on results. Many responsible underwriters, increasingly alarmed over the effects of inflation, have been clamouring for tough and positive action after seeing premium rates slip for the past two years.

OVERSEAS NEWS

Goncalves propaganda campaign picks up speed

A PROPAGANDA campaign to keep the pro-Communist Prime Minister, Vasco Goncalves, in office gathered momentum yesterday with a report that a Leftist military-civilian front was being formed in his support.

The State radio, controlled by pro-Communist military delegates, said this was decided at a meeting between unidentified members of the Armed Forces Movement, the Communist Party, and seven allied or extreme Left-wing groups.

The meeting is said to have agreed eventually to set up a Government of revolutionary unity, but in the meantime it backed the radical political programme published by General Goncalves at the end of last week.

It set up a secretariat to organise an offensive against reaction and for the advance of the revolutionary process "as a preparatory step."

The new report followed two communiques of dubious origin yesterday—one which purported to show that President Francisco de Costa Gomes wanted General Goncalves to stay in office, and the other supposed to demonstrate that the Premier's programme had received a vote of support from a majority of armed forces leaders.

The aim of the campaign was clearly to demonstrate that the armed forces and "progressive" political parties were lining up

against the group of nine prominent moderate officers who are trying to unseat General Goncalves.

It also appeared to be trying to exploit a split which seems to have occurred in the Capon military security force, whose commander, General Orelis Saraiwa de Carvalho, was last week reported to have reached a common platform with the moderates.

The President's office early this morning ordered radios to stop broadcasting the original communiques referring to General Goncalves remaining in office. Observers speculated that it had been issued without his approval, either by the armed forces "Fifth Division" information and propaganda unit, or the Information Ministry, both controlled by pro-Goncalves officers.

The presidency also said that the second of yesterday's statements, referring to broad military support for the Goncalves programme, was null because it had been issued without his knowledge.

This second statement, issued by the Fifth Division, said that the president, members of the Revolutionary Council still in office, Copcon commanders and leading members of the Armed Forces Movement had backed the Prime Minister's plan. They were also said to have

LISBON, August 25.

called for the Communist-dominated 240-strong assembly of the movement to decide the fate of the nine moderates suspended from the Revolutionary Council, and to have decided on "restructuring and democratisation" of the armed forces—apparently meaning a purge.

To-day's communiques broadcast over the state radio sought to extend this apparent pro-Goncalves front beyond the military to civilian political organisations.

The Communist Party has claimed the Government crisis is over, and that a victory has been won against reaction and the threat of a right-wing coup.

There has been no reaction so far from the nine moderates, who late last week were actively negotiating with the election-winning moderate parties to form a new Government.

The Lisbon newspaper, O Seculo, reported that the chiefs of staff of the navy and air force, Vice-Admiral Jose Pinheiro do Azevedo and General Jose Morais da Silva, had come out in support of the Prime Minister at a military meeting on Saturday night. General Carvalho and General Carlos Fabião, chief of staff of the army and the moderates' candidate for the Premiership, were said to have called for his resignation.

They were also said to have

Reprieves spark off protests in Greece

ATHENS, Aug. 25.

THE GREEK Government decided today to commute the death sentences of former President George Papadopoulos and two of his deputies in the ousted ruling military junta.

An official statement issued after an emergency Cabinet meeting said the Government decided to set in motion the machinery to commute the three death sentences to life imprisonment. The sentences were passed on Saturday.

Those sentenced to death with Papadopoulos were Deputy Premier ex-tank commander Stylianos Pattakos and retired Brigadier-General Nicholas Makarezos.

To-day, about 500 extreme left-wingers demonstrated outside Athens university calling for the execution of ex-President Papadopoulos and the other two. The Government's decision to commute the death sentences provoked sharp reaction among opposition leaders who demanded the resignation of the Government and an emergency session of Parliament.

Fearing demonstrations, Athens police were alerted and several public buildings were guarded. The official statement today said that the decision by the plenary session of the Cabinet was taken unanimously.

"The Cabinet decided, when

the decision of the court becomes irrevocable, to set in motion—through the Ministry of Justice—the legal machinery to commute the three death sentences to life imprisonment," the statement said.

The decision of the court will become irrevocable if the three men do not appeal to the Supreme Court within five days of sentence.

If they file a petition, they will ask the Supreme Court to order a retrial on the grounds of procedural irregularities during the trial. If the court rejects the appeal, then the verdict becomes irrevocable.

Immediately after the announcement of the verdict on Saturday, Mr. Papadopoulos was heard by reporters instructing his defence counsel to appeal. Legal experts here said it may take the Supreme Court about six months to issue a verdict on the appeal.

The Government today accused the opposition leaders of creating upheaval and of fanning passions over the sentences.

"They attack the Government, even resorting to slander, for the stand which it has adopted with a high sense of responsibility," a statement said.

Reuter

Lockheed pledges to stop paying bribes

By Ivy Palmer

NEW YORK, August 25.

LOCKHEED AIRCRAFT, bowing to increasing pressure and criticism, has promised the U.S. Federal Government's Loan Guarantee Board that it will stop paying bribes to foreign officials to promote its overseas sales, according to Mr. William Simon, U.S. Treasury Secretary.

This promise represents a major change of heart for Lockheed which has already admitted paying out \$22m. worth of bribes. Earlier, the company insisted that it could not stop making hidden payments because it would put it at a competitive disadvantage to other foreign and domestic aerospace companies.

While this stand received some sympathy in Washington, the criticism has generally been bitter. Following disclosures that part of the payments went to promote the company's sales of its L-1011 jetliner, this morning Mr. Simon, one of the top three Federal Government officials serving on the loan board, stated that the Government could not condone such activities.

More worryingly for the company, Mr. Simon also said that the Government was requesting an immediate re-assessment of its existing collateral under the credit agreement and hinted that the Government might have to limit its willingness to back the company.

Mr. Simon's stand was mild compared to the attack on the company launched over the weekend by Senator William Proxmire. In a letter to the Loan Board, the senator said that the Lockheed bribe disclosure "serves notice that the federal government's name and money has been used to facilitate the most dishonest and corrupt kinds of business practice."

The report fully endorses the UNCTAD plan for an integrated world commodity programme to stabilise raw material prices and compensate producer countries for declines in income, and it recommends that detailed proposals for the scheme should be submitted to the fourth UNCTAD session next year.

Commonwealth call for 'new order'

BY PAUL LEWIS, U.S. EDITOR

GEORGETOWN, August 25.

FINANCE AND trade ministers of the Commonwealth countries began three days of discussions here tomorrow that will centre on a new and comprehensive programme of measures for narrowing the gap between the rich and poor nations.

This programme is set out in a report, "Towards a New International Economic Order" which has been prepared by a group under the chairmanship of Mr. Alister McIntyre of Grenada, and which was created by Commonwealth Heads of Government at their meeting in Jamaica last May.

If it can be endorsed at this week's meeting both by industrial and developing Commonwealth members the McIntyre report—as it is called—could make a significant contribution towards easing tension between rich and poor countries at next week's special session of the United Nations, when the more radical Third World members will encourage other raw material producers to follow OPEC's example and raise the price of their exports by unilateral action.

However, it is already clear that several of the report's recommendations go further than Britain or the rest of the Commonwealth have been prepared to go so far, and will certainly be difficult for the U.S. Administration and Congress to stomach in their present mood.

In its introduction the report speaks squarely of the need for "a new economic order" which would encourage self-reliance by the developing countries and ensure minimum living standards for all the world's population. It then goes on to make four major recommendations, all of which are likely to prove controversial with the sections of the industrial world.

The report fully endorses the UNCTAD plan for an integrated world commodity programme to stabilise raw material prices and compensate producer countries for declines in income, and it recommends that detailed proposals for the scheme should be submitted to the fourth UNCTAD session next year.

The report supports the developing commodity producers in their repeated calls for the price of their exports to be indexed to the cost of the manufactured goods they buy from the industrial world. It says that the price of raw materials should be kept in line with other price levels and that while indexation presents some technical problems, these should not be over-emphasised.

On aid, the report calls for the richer countries to raise their contributions for development assistance to 0.7 per cent of their GNP immediately, in line with past UN recommendations, and to reach 1 per cent of GNP by 1980. At present, aid flows are running at about 0.33 per cent of the donor countries' GNP, and neither Britain nor the U.S. believe that it will be possible to improve much on this performance in the immediate future.

The report suggests that voting power in international financial institutions like the World Bank and the IMF should no longer be based solely on countries' financial contributions, but that the developing nations should be given a higher say in how these bodies are run.

Feature Page 10

C. Y. Tung in Suez ship plan

By James McDonald

With the conclusion of a Sinai agreement between Israel and Egypt in sight, the C. Y. Tung shipping group's Orient Overseas Container Line (OOCL) is planning to send its entire fleet of Far East Europe container ships through the Suez Canal.

This action will reduce the round-trip voyage between the two continents by 12 days, compared with the fleet's present routing via Cape of Good Hope. The new routing will also increase the frequency of OOCL's sailings from one every 12 days to one sailing every 10 days.

The move is expected to increase OOCL's market share in the Far East Europe container trade, and is seen as a significant step towards the company's goal of becoming a major world container line.

OPEC aid set to double this year

BY ADRIAN DICKS

WASHINGTON, August 25.

WORLD BANK economists now expect total disbursements of overseas development aid by the Organisation of Petroleum Exporting Countries in 1975 to reach \$10bn, during the current year. This sum, which would be about double the level of known disbursements by members of the Organisation of Petroleum Exporting Countries in 1974, would approximately balance the increased payments burden

caused to non-oil producing developing countries by the oil price increases of the past two years, the Bank's experts believe.

In its annual report, published here today, the World Bank offers further evidence of its broadly optimistic view of the impact of higher oil prices on the economies of its client countries, placing much of the blame for the economic stagnation that has beset the developing world on recession in the industrialised countries.

It writes that OPEC members' collective commitments to foreign aid rose from \$3bn in 1973 to \$16bn in 1974, and that disbursements rose from \$3bn to \$8bn in the same period. Of this sum, about 40 per cent is believed by the Bank to have been made on concessionary terms.

The Bank also offers a new forecast of the probable current account surplus of OPEC countries, predicting that this is unlikely to increase "significantly" beyond the \$65bn achieved last year. In 1975, the surplus is unlikely to be more than \$45-50bn, and while it may increase slightly as the world economy moves back into a recovery phase, it is not expected to rise substantially above last year's peak.

These views on the likely future development of the oil surplus and the anticipated aid policies of its members stand out from the World Bank's annual report as an almost unique area of optimism in an otherwise sombre picture of the prospects for the developing world.

The bank spells out in some detail the impact on the developing world of the deep recession in the industrialised countries during the past year. Real growth rates in the more advanced developing countries—which the Bank defines as those with an annual per capita income of \$200 or more—has been maintained at about 4 per cent, largely thanks to the ability of many of these countries to borrow substantial sums on international capital markets.

Killing and looting in Timor

DARWIN, August 25.

DAZED REFUGEES who arrived in Darwin from Portuguese Timor today described shootings, bodies lying in the streets, looting of shops, burning of homes and constant battles with small arms in the colony's civil war.

A total of 1,170 refugees arrived on the Norwegian ship Lloyd Bakke from Dili, mostly mixed-race Timorese but also including 247 Portuguese.

Nine wounded on board, two of them children, had been struck by flying shrapnel before they joined the ship. Seven were admitted to Darwin hospital, none in serious condition.

The captain of the Lloyd Bakke, Arvid Holberg, said the refugees, passengers, told him there were many bodies in the streets, some of them their relatives. But they could not touch or bury them for fear of being shot.

Interviews with some of the refugees underlined the confusion which dominates the civil war in Timor. In Jakarta, a Defence Ministry spokesman denied Press reports that Indonesian troops were standing by to intervene in Portuguese Timor. Indonesia rules the western half of Timor island.

Reuter

Japanese expect new Boeing accord

By Michael Donne

THE JAPANESE aircraft industry hopes to sign soon a new memorandum providing for continuing discussions with the Boeing Company of the U.S. on the possibility of future joint development of a new civil airliner for the 1980s.

The current agreement is due to expire at the end of September, and the Japanese Civil Transport Development Association said the new pact would provide for further discussions on technical problems up to March, 1977.

Optimism in W. Germany

BY JONATHAN CARR

BUNN, August 25.

WEST GERMAN industrialists extend support the cautious state are somewhat more optimistic about business prospects in the coming months—especially for exports. This emerges from the July survey of business opinion, and the next move should be carried out by the IFO Economic Institute of Munich and made public today.

This ray of light is a relative matter, for in the past months July survey of business opinion, and the next move should be carried out by the IFO Economic Institute of Munich and made public today.

According to IFO, businessmen in manufacturing industry judge the outlook to the year's end less pessimistic than hitherto. In those questioned, however, gloomy indeed. None the less, over the next three months are the Institute's findings to some seen as clearly more favourable.

Mr. Simon's stand was mild compared to the attack on the company launched over the weekend by Senator William Proxmire. In a letter to the Loan Board, the senator said that the Lockheed bribe disclosure "serves notice that the federal government's name and money has been used to facilitate the most dishonest and corrupt kinds of business practice."

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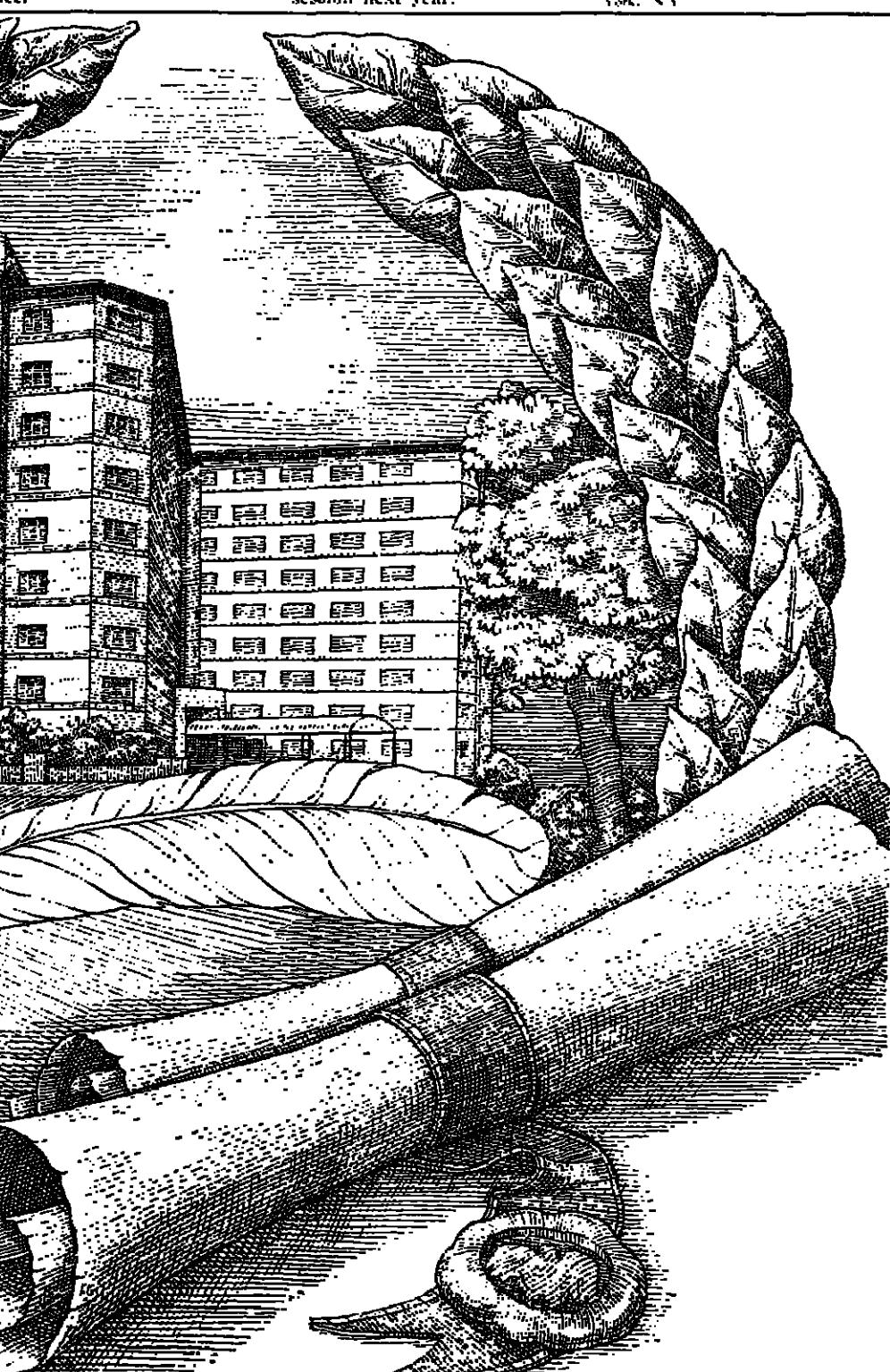
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A declaration of independence from The White House

When in the course of human events, it becomes necessary for one hotel to dissolve the bands which have connected them with the past, and to assume a totally new appearance among the Powers of the earth, a decent respect to the opinions of mankind requires that they should declare the changes they have made.

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in its move to a new setting in the Hotel. And that, moreover, there are two bars, a coffee shop and a 24 hour room service to aid the well-being of our guests.

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The White House, August 4th, 1975
(With apologies to Thomas Jefferson.
Declaration of Independence July 4th 1776)

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LABOUR NEWS

Swan Hunter strikers are warned on defence orders

BY CHRISTIAN TYLER, LABOUR STAFF

SHIPYARD WORKERS at Swan Hunter yards meet later this week to elect a new committee. The strikers' vote, only narrowly won to continue a seven-week strike for better pay, will be held at a mass meeting on Saturday. The Government, however, has warned that victory could bring a defence order to end the strike. The Government is trying to get the 5,000 outfitting and ancillary men back to work, told strikers that the Government could penalise the company by withholding orders for naval vessels if it gave in and broke the anti-inflation guidelines.

Such an embargo on Ministry of Defence contracts would be a serious matter in the present recession, Mr. Ken Baker, a national officer of the General and Municipal Workers Union said yesterday.

Shop stewards at the Tyneside

Staff dispute costs Ladbroke £4m.

BY OUR LABOUR STAFF

BOOKMAKER GROUP, Ladbroke, said yesterday that its dispute with betting shop staff, which led to pickets outside some branches at the weekend, had cost it about £4m.

The company's Board will meet later this week to decide what action to take against 250 staff in Scotland, where the dispute began.

A spokesman repeated the company's determination not to re-employ the dismissed staff and said 47 betting shops closed in Scotland would stay shut until new staff were trained.

The Transport and General Workers' Union, which called a national strike at Ladbroke for this week-end, is demanding an inquiry and trying to get the sacked employees reinstated through the Advisory, Conciliation and Arbitration Service.

According to Ladbroke's week-end pickets from Scotland had little effect and all shops in England remained open.

The dispute began with a strike 11 weeks ago when staff rejected a pay award ranging from £2 to

APEX £6 warning to employers

By Our Labour Staff

SUCCESS OF the Government's anti-inflation policy depends as much on employers conceding the maximum £6 a week allowance as on the limit itself remaining unbroken according to TUC general council member Mr. Roy Grantham.

Mr. Grantham, general secretary of the 145,000-member Association of Professional, Executive, Clerical and Computer Staff (APEX), said at the weekend:

"APEX will not tolerate employers who seek to evade their responsibilities by paying less than £6."

But he told a meeting of his 60 negotiators to resist pressure from people who wanted to break the limit. Such demands were "a recipe for even greater unemployment."

Mr. Grantham's remarks follow the insistence of Mr. Len Murray, TUC general secretary, last week that the £6 is not just a maximum but an entitlement, an interpretation of the anti-inflation White Paper which has upset the Government.

APEX has members in the motor and aircraft industries, as well as in computers and elsewhere.

Beer supplies still short

SUPPLIES OF different beers to 3,000 Ind Coope public houses in the South East of England are still short because of an overtime ban at the company's Romford brewery. The company was unable to say yesterday how long the shortage would last.

Meanwhile, 70 Ind Coope pub managers in Hertfordshire and neighbouring counties went on strike over a local union recognition row involving the TGWU.

U.S. certificate for Concorde looks likely

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PROVIDED Concorde can win a Certificate of Airworthiness from the U.K. and French authorities, there should be no difficulty in getting a C of A from the U.S. Federal Aviation Administration.

This view emerged at the end of last week, from a series of test flights conducted in Concorde by pilots from the FAA, led by Mr. Dennis Tuck.

Aerospatiale, the French partner in the Concorde programme, said that after 13 hours' 23 minutes test flying, the U.S. team had said there was no reason for the FAA to oppose validation of the U.K.-French Airworthiness Certificate.

FAA validation of the aircraft's airworthiness covers only its technical suitability for airline service with U.S. airlines, and does not extend to its "social acceptability"—that is whether or not it will be allowed into U.S. airports on grounds of noise.

Those aspects of Concorde are still under review in the U.S., where the FAA is due to issue a final "environmental impact" statement in a few weeks, upon which will be based recommendations to the U.S. Government for approval of Concorde operations into the U.S.

Even if the U.S. Government

U.S. Marines want more improved Harriers

BY MICHAEL DONNE

THE U.S. MARINE CORPS, which already takes delivery of over 100 Hawker Siddeley Harriers, is seeking approval from the U.S. Government to buy 340 more aircraft of an improved design and with a more powerful engine.

This deal—which has to be sanctioned by the Defence Department and then Congress to approve the bill of more than £250m—follows a detailed appraisal by the Marines of their future needs in vertical and short take-off and landing fighters.

The additional aircraft, if approved, will be built largely by McDonnell Douglas Corporation, of St. Louis, Missouri, and Pratt & Whitney, the engine builder, of East Hartford, Connecticut, following arrangements entered into between the two firms and the U.S. and U.K. Governments.

Both Hawker Siddeley Aviation of the U.K., which designed

NOTICE OF REDEMPTION To the Holders of CABOT INTERNATIONAL CAPITAL CORPORATION

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the indenture dated as of September 15, 1970 providing for the above Debentures, \$1,000,000 principal amount of said Debentures bearing the following numbers have been selected for redemption on September 15, 1975, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

DEBENTURES OF \$1,000 EACH

M-17	739	1616	2482	3395	4815	5827	6700	7349	8099	9032	9857	10858	11722	12640	13457	14218
29	771	1617	2506	3428	4848	5840	6714	7364	8091	9034	9860	10861	11725	12643	13456	14219
30	782	1628	2517	3439	4859	5851	6725	7375	8096	9037	9869	10870	11736	12654	13467	14229
31	793	1638	2528	3450	4870	5862	6736	7386	8101	9080	9870	10879	11747	12665	13478	14240
32	804	1649	2539	3461	4881	5873	6747	7397	8106	9089	9881	10888	11758	12676	13489	14251
33	815	1660	2550	3472	4892	5884	6758	7408	8114	9135	9894	10897	11769	12687	13500	14262
34	826	1671	2561	3483	4903	5895	6769	7419	8119	9144	9905	10908	11780	12698	13511	14273
35	837	1682	2572	3494	4914	5906	6780	7430	8124	9153	9916	10919	11791	12709	13522	14284
36	848	1693	2583	3505	4925	5917	6791	7441	8129	9162	9927	10930	11802	12720	13533	14295
37	859	1704	2594	3516	4936	5928	6802	7452	8134	9171	9938	10941	11813	12731	13544	14306
38	870	1715	2605	3527	4947	5939	6813	7463	8139	9180	9949	10952	11824	12742	13555	14317
39	881	1726	2616	3538	4958	5950	6824	7474	8144	9189	9960	10963	11835	12753	13566	14328
40	892	1737	2627	3549	4969	5961	6835	7485	8149	9198	9971	10974	11846	12764	13577	14339
41	903	1748	2638	3560	4980	5972	6846	7496	8154	9207	9982	10985	11857	12775	13588	14350
42	914	1759	2649	3571	4991	5983	6857	7507	8159	9216	10000	10996	11868	12786	13599	14361
43	925	1770	2660	3582	5002	5994	6868	7518	8164	9225	10011	11007	11879	12797	13610	14372
44	936	1781	2671	3593	5013	6005	6879	7529	8169	9234	10022	11018	11890	12808	13621	14383
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48	980	1825	2715	3637	5057	6049	6923	7573	8189	9270	10066	11062	11934	12852	13665	14427
49	991	1836	2726	3648	5068	6060	6934	7584	8194	9279	10077	11073	11945	12863	13676	14438
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74	1266	2111	3001	3923	5343	6335	7209	7859	8319	9504	10352	11348	12220	13138	13951	14713
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92	1464	2309	3199	4121	5541	6533	7407	8057	8409	9666	10550	11546	12418	13336	14149	14911
93	1475	2320	3210	4132	5552	6544	7418	8068	8414	9675	10561	11557	12429	13347	14160	14922
94	1486	2331	3221	4143	5563	6555	7429	8079	8419	9684	10572	11568	12440	13358	14171	14933
95	1497	2342	3232	4154	5574	6566	7440	8090	8424	9693	10583	11579	12451	13369	14182	14944
96	1508	2353	3243	4165	5585	6577	7451	8101	8429	9702	10594	11590	12462	13380	14193	14955
97	1519	2364	3254	4176	5596	6588	7462	8112	8434	9711	10605	11601	12473	13391	14204	14966
98	1530	2375	3265	4187	5607	6599	7473	8123	8439	9720	10616	11612	12484	13402	14215	14977
99	1541	2386	3276	4198	5618	6610	7484	8134	8444	9729	10627	11623	12495	13413	14226	14988
100	1552	2397	3287	4209	5629	6621	7495	8145	8449	9738	10638	11634	12506	13424	14237	14999
101	1563	2408	3298	4220	5640	6632	7506	8156	8454	9747	10649	11645	12517	13435	14248	15010
102	1574	2419	3309	4231	5651	6643	7517	8167	8459	9756	10660	11656	12528	13446	14259	15021
103	1585	2430	3320	4242	5662	6654	7528	8178	8464	9765	10671	11667	12539	13457	14270	15032
104	1596	2441	3331	4253	5673	6665	7539	8189	8469	9774	10682	11678	12550	13468	14281	15043
105	160															

1900 Straits Trading Building,
Battery Road, Singapore |
August 26, 1975

Notes: 1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member.

2. There are no contracts of service between the directors and the company.

FINC
THE
COMPLETE
INSTRUCTION
SERVICE

take
than
others

[illegible]

THE GOVERNMENT last week announced that it would carry out a "forward-looking and constructive" review of the Post Office. Such an inquiry had been strongly pressed by the Post Office Users' National Council, with backing from MPs of all parties. The pressure stems not only from the spectacular increases in postal charges (which are to go up again at the end of next month), but from the widespread belief that there are serious and deep-seated weaknesses in the way the Post Office is run. It is perfectly true that inflation and Government price restraint have had a crippling effect on the Post Office's finances; economic pricing is now being restored. But there is disturbing evidence of inefficient management in the Post Office, particularly in its use of manpower; this must be the prime target of the new investigation.

It appears, for example, that because of the trade union resistance the Post Office management has been unable to obtain accurate information on how many letters and parcels pass through its sorting offices. The application of conventional job evaluation and work study techniques to the clerical side of the business is still being resisted. The Prices and Incomes Board pointed out in 1968 that productivity improvements, however simple and obvious, often took years to implement because management was not given the "service recognition" that the public service contains an inescapable "social element" which should be financed by subsidy. The present financial state of British Rail should be enough to warn the Government against this suggestion.

Fourthly, the inquiry should examine how far the monopoly of postal and telecommunications services is economically necessary and whether the introduction of private companies into certain parts of this business could provide a better service to the customer.

ability lies with management and with rank and file obstruction is for the inquiry to establish; what is not in dispute is that the Post Office is overmanned and that opportunities for considerable increases in productivity are available.

A second area for investigation is whether the Post Office can be made more manageable by hiving off the telecommunications side as a separate business. This is a huge enterprise, employing nearly 250,000 people, it is going through a period of rapid technological change, and there is a case for giving it

The new investigation will not produce any magic formula for transforming the present system; the labour-intensive postal service does represent a difficult management problem which other countries, notably the U.S., find just as intractable. But a well-staffed and independent inquiry team, given a maximum of six months to complete its work, should be able to identify the obstacles which are preventing the Post Office from achieving the optimum level of efficiency and to set out the changes necessary for that level to be reached.

IT IS NOW more than two years since the widespread adoption of floating exchange rates and it is possible to make a provisional assessment of how the change has worked out during a particularly difficult time in world trading relations. The review of developments since March, 1973, when the Smithsonian agreement broke down, is, accordingly, a particularly useful feature of the new annual report of the IMF.

In terms of numbers, the majority of countries are still tied to a single currency, mostly the dollar, but sometimes the French franc or the pound sterling. These are, however, mostly smaller states. Countries accounting for 70 per cent. of members' trade are either floating independently, or jointly in the European "snake."

This mixture of relationships was always expected by the advocates of floating. There is also something surprising in the fact that floating has not been "clean." If anything, official intervention has been less than might have been expected: the guidelines adopted by the Fund in June, 1974, have been more or less followed, and competitive depreciations or appreciations avoided. The general judgment of the IMF is that, despite erratic fluctuations, there is little evidence that flexibility has seriously impeded world trade. On the contrary, crises of the type that led to evermore frequent closures of the foreign exchange market, and emergency meetings of Finance Ministers up to March, 1973, have been avoided.

of 1973 when the dollar rose by 20 per cent. The use of exchange rate quotations between the dollar and the European currencies does, however, exaggerate the fluctuations as a great deal of both U.S. and European trade is carried out with other countries whose currencies move much less against these main blocs.

Likely trends

Currency fluctuations are partly the reflection of changes in relative interest rates in different international centres, which under the old system would have produced massive reserve movements. But as the IMF points out, changes in relative interest rates which just reflected the business cycle, and were expected to be temporary, could be offset by fairly minor exchange rate movements. The real trouble is that interest differentials have been aggravated by sudden shifts in sentiment about the likely trend of inflation rates in different countries. Contrary to much Ministerial rhetoric, the world

There have, of course, been plenty of problems. The most successful aspect has been that over a two-year period effective exchange rate changes have almost completely offset large divergences in the movement of wholesale prices among the main industrial countries. Some of the drawbacks arise from the absence of properly developed forward markets in the less advanced countries, or the insistence of some oil-producing

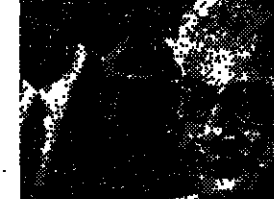
'Towards a new international economic order'

"THE BRITISH Government fully accepts that the relationship between the rich and poor countries is wrong and must be remedied. That is the principle on which my proposals rest: that the wealth of the world must be redistributed in favour of the poverty-stricken and the starving."

That was Mr. Harold Wilson addressing the Commonwealth Prime Ministers' Conference in Jamaica last May. His distinction was that he became the first leader of an industrialised country to put forward proposals for what had long been known within the third world as the New International Economic Order. With Mr. Wilson's speech the new order advanced from being a slogan to something that is now under practical discussion and may become a reality.

under way), the Group of 77 (which is another name for the non-aligned group and now numbers over 90 rather than the original 77), and the United Nations Conference on Trade and Development (UNCTAD).

Anyone who asks how all these discussions in different form fit together gets a simple answer: nobody knows. The overlap is freely admitted, but



Georgetown will be only the first of a series of international meetings over the next few weeks, all concerned with essentially the same theme of the new economic order. At the same time the Foreign Ministers of the group of non-aligned countries, which consists of virtually the entire third world and includes a number of Commonwealth members, will be meeting in Lima. The new economic order is very much on their agenda. Then, from September 1-12, the United Nations meets in special session in New York to discuss the third world's role in the development process, which is simply the new order in other words.

Even this is not the end. The new order is likely to play a prominent part in the annual meetings of the World Bank and the International Monetary Fund in Washington next week. And, by mid-October, there should be a resumption of the dialogue between the major producers and consumers of oil and the developing countries which proved so fruitless when it opened in Paris last April, but which now seems to have been better prepared. Similar discussions are also going on within the OECD, the GATT (where new multilateral trade negotiations are already dealing with energy, raw materials, development and the Saudi Arabians have their way, financial questions. Much of this would be in preparation for the fourth session of UNCTAD, due to open in Nairobi next May, which could get down to the practical details of such things as new commodity agreements, the creation of buffer stocks and their financial support.

Many of the ideas for the new order go back well into the 1960s or earlier, and the case for trying to establish it is often based on a few simple figures. For example, the pro-

Running the RAF's computers

Who runs the most sophisticated computer system for personnel management? It is a big claim, but is made on behalf of the Royal Air Force, no less, by the man who set most of it up, Air Commodore Malcolm Jolly.

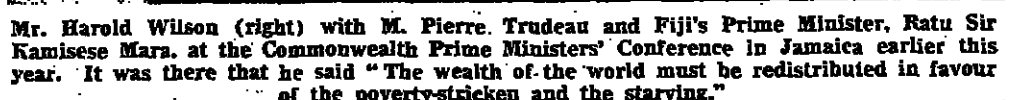
without Jolly's guiding hand. At 55, he has retired and Jolly of the Board of Griffiths, Professional Services, the Derby-based computer consulting firm founded in 1971 by Leonard Griffiths, who had been management services chief at Rolls-Royce. Another job late this year for Jolly, who has been a prominent member of the British Computer Society, is the organisation of the Datafair industry get-together.

The history of how the RAF became so equipped started in 1957 with a letter from the Treasury to a variety of official bodies asking them, with a curious choice of nomenclature, which processes were "susceptible to computerisation." At first, then, a squadron leader with the secretarial branch, was given what looked to be the obscure, unwanted job of finding out.

Knowledge about computers was thinly spread: Jolly's first stop was Foyle's to buy a couple of books on the subject. His first responsibility was the establishment of a computer system to handle all personnel and payroll work. Considered a "big job" for 100 people in the RAF then (against a ground \$5,000-a-day), the task was considerable. Completion of it involved making 350 civilian and military pay clerks redundant. Proud though he is of the RAF's systems, Jolly admits that pushing changes through, including the initial "ruthless" cut-back of the pay clerks, is easier in the forces with the employees rather more used to doing as they are told.

Computerisation spread to other related functions, and the latest development is the equip-
ping of 400 terminals at offices
in the U.K. and Germany using
ICL New Range equipment for
"personnel management in-
formation." That will be opera-
tional early next year, though

sent world population is about 4.5bn. Of these, about 1.2bn—1.3bn, if China is included—live in countries where GNP per head is less than \$200 a year. At the other extreme, about 600m—or about one-seventh of the total—are in countries where GNP per head is between \$2,000 and \$5,600. This degree of disparity in incomes is not accepted by the developed countries... themselves within



One or two figures may suffice to show how large the costs could be. It has been estimated that the creation of a buffer stock for copper equivalent to around 10 per cent. of annual production would cost \$500m. at present prices. Even then it would be impossible to fix a fixed figure has not been large enough for tin, one of the very

few materials for which a commodity agreement has worked. Again on official aid: the only country to meet the UN target of 0.7 per cent. of GNP last year was Sweden. The British figure was 0.38 per cent. Is the British Government really ready almost to double this figure overnight?

There is also a question mark not only over the practicability of commodity agreements, but also over the assumption of producer power residing with the developing countries. The West has been asking the question since this last year and commissioned a report on the distribution of the world's mineral resources. The Federal Office for

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Every year we have 9 sales cycles of 5 weeks' duration which include up to three visits to every shop (depending on its size). That means with 1a-Food A/S you reach a wide section of the Danish market.

At present, we store and market among other things: Libby's canned food, Sunkist growers inc., Varta Batteries, Dome Benedict Liquor, Van Oosten Bitter and Minus Kalk (Minus Scale) from Dome-Chemistry.

For further details, please write or phone:
Mr. Allan Lund,

**Managing Director,
1a Food A/S,
1 Frugtmarkedet,
DK-2500 Valby (Copenhagen),
Phone: (01) 30 61 11**

Observer

هكذا مني لامل

The unsolved problems of the creditors of Upper Clyde Shipbuilders concern all who trade with State-backed firms. By Chris Baur

Uncharted waters of government liability

FOUR YEARS after the collapse to know how this affects those of Upper Clyde Shipbuilders, companies' security.

The Government has to make it absolutely clear, he says, "whether or not it is in fact their way towards the answer to one vital question: how far should the Government be held morally or legally responsible for the debacle and therefore for the debts?"

The passage of time may have healed many wounds for the vast bulk of suppliers who are still owed £7.6m. But... with the growing involvement of Government in the affairs of non-nationalised industries, the issue of its immunity or otherwise from the consequences of trading failures such as that of UCS is far from academic. It will certainly command much wider attention than that of the few UCS creditors who are prepared to take themselves along to-morrow to the latest slightly bedraggled meeting in Glasgow's Merchants' Hall, to receive the current winding-up report from the liquidator, Mr. Robert C. Smith.

Mr. Smith himself agrees that, in attempting to establish Government liability, he and the creditors' committee of inspection are in totally uncharted waters. He feels strongly however that these waters will have to be charted soon because of the likelihood that in future — through agencies like the National Enterprise Board and the Scottish and Welsh Development Agencies — the Government will acquire substantial stakes in a growing number of companies, whose suppliers, like those of UCS, have a right

Liquidator

The strength of their assumption was summarised in a lengthy letter sent last October by the liquidator to Mr. Anthony Wigwood Benn, then Industry Secretary and, as architect of UCS when he was Minister of Technology in 1968. In that letter Mr. Smith recalls that the Government was the largest single shareholder in Fairfield (Glasgow), one of the five shipbuilding companies that formed UCS: that it held 48 per cent of the shares of UCS itself and had its own nominee on the UCS Board, expressly authorised to keep the Government's Shipbuilding Industry Board informed of the company's position. He further recalls that UCS was formed in implementation of Government policy, following the Geddes



Committee inquiry into the industry: that although the group was launched with "a known deficiency of capital both for fixed investment and for current trading," this was done on the understanding that the SIB would provide adequate financial support to sustain the enterprise through the estimated two-to-four years needed to achieve productive efficiency. In the event, he claims, the support offered by the SIB (about £12m. in all, through grants, loans and stock issues) fell far short of the company's estimates of its requirements, and by February, 1969, the cash situation of the company was critical. He then describes two crucial episodes: the first was in 1969 when, having rejected the com-

pany's application for £6m. and having offered £3m. instead, the then Secretary for Trade and Industry, Mr. John Davies, intervened personally and persuaded the UCS directors, "not to UCS under the Shipbuilding Act," "on the perfectly sound grounds of reservation funds they knew to be in the company and its ability to fulfil new contracts."

Mr. Smith says that "the intervention of a government minister who, from the minutes of the Board, urged that the action which Mr. Smith says was company should not be put into liquidation, created a strong presumption that H.M. Government was prepared to secure or the Secretary of State had been provide sufficient financial support to justify that strong recommendation. Those doing company's stability." The Government's "apparent blessing on the company's continued trading" was made the more authoritative, he argues, by its October, 1970, after the Con-

spicuous admission in Parliament that it had the "fullest information" on cash flow and the company's state of business. Mr. Smith acknowledges that ministers and officials who were seeking to achieve a solution to the financial crisis on the Upper Clyde may indeed have found such a solution in the liquidation of the UCS group and its subsequent reconstruction. "But it flies in the face of equity," Mr. Benn replied in a terse note price of that solution is to be borne not wholly by the public purse but substantially by individual creditors who continued to support a company which was known to be largely dependent on public funds and whose continued existence appeared to depend on Government influence and decision."

On the 1969 crisis, the Flint study suggests that events "involuntarily associated the Government" with the continuation of UCS on an unsound financial base. Even the change of policy implied by the change of Government in 1970 "did not

wholly exclude the possibility of further support from the Government in future." The report encapsulated the directors' general belief "that they had engaged in an enterprise in implementation of public policy and could expect not to be abandoned."

The present Government spent some five months examining the liquidators' representations and, in March this year, Mr. Benn replied in a terse note saying that there were no grounds on which a legal case against the Government could be sustained, and that he did not accept that the creditors had any moral claim against the Government.

Anyways, it is not at all certain that funds would be made available to take the case to court. The liquidator holds £1.4m. for payment of first secured creditors, in this instance, the banks. The court would normally insist on the creditors' committee of inspection sanctioning expenditure out of funds due to some of them, for such a case to be considered the estimated £25,000-£50,000 a reasonable expenditure only if there was a real prospect of securing £7.6m. through a favourable judgment. They cannot be so sure. There seem, therefore, to be two pieces of unfinished business from the UCS tragedy. First, does substantial government involvement in an industrial enterprise put creditors in a special position not shared by creditors of a wholly private venture which collapses? Secondly, if it does, then how do creditors go about establishing the extent of the Government's liability, when Ministers refuse to acknowledge that there is any? Mr. Smith does not know the answers. "All I do know, in my bones," he says, "is that the creditors of UCS have been very hard done by."

Avenues

There are now apparently two avenues open to the liquidator and the creditors. The first they have just taken by having an application made to the Parliamentary Commissioner (Ombudsman) on the grounds that suppliers of UCS were "misled" into believing that the Government would continue to support the venture. The Government would presumably dispute this by referring to Mr. Benn's 1969 assertion that the Government could not provide a permanent "safety net" for the troubled Group, and by Mr. Davies' subsequent famous declaration that the Government could not endlessly provide crutches for "lame ducks."

A more profound difficulty however is that even if the Ombudsman found evidence of maladministration in the UCS affair (assuming he accepts the case), the Government would presumably be inclined to slam the door in the creditors' face as it did over Court Line—simply by rejecting the finding. The second avenue would be to mount a legal challenge. The

Letters to the Editor

Cars subsidise lorries

From Mr. R. Atkins, MP.
Sir—Colin Jones, in his article "Finding the right price ticket for British Rail's future" (August 20), ignored the need to allocate equitably the costs of roads between the different kinds of users when considering direct competition between road and rail. We are not merely concerned with the total costs of roads as compared with the total costs of maintaining the railways, but to what extent "private motorist's discretionary expenditure and his subsidised commuting" helps to cross-subsidise the road user, in the main the freight lorries, which take traffic from the rail freight services.

Even if we can determine the overall sum which road vehicle owners ought to pay for their use of the highways, it is still essential to determine whether each category of road user (light cars at one end of the scale and heavy lorries at the other) are making an equitable contribution according to the costs which they impose. Tests were carried out by the American Association of State Highway Officials (AASHTO), National Press Building, Washington, D.C., between 1966 and 1969. The tests cost \$2m. and they had the assistance of the American Army. They were designed to "determine the significant relationships between the number of repetitions of specified axle loads of different magnitude and arrangement and performance of different thicknesses of uniformly designed and constructed asphaltic concrete, plain portland cement concrete and reinforced portland cement concrete surfaces on different thicknesses of bases and sub-bases on a basement soil of known characteristics."

The chief finding of the tests is, on a given road pavement, whatever its thickness and structure may be, the damage caused by the application of a given axle load varies appreciably as the fourth power of the weight of that axle.

In other words, if the damage caused by the application of a given axle load of a private car (0.8 or 12 cwt approximately) is taken as the unit, then the damage caused by the application of a 9-ton axle load is 10,000 times more and that of a 12-ton axle load 160,000 times more. To be more precise, if the surface wears from new to a certain state of deterioration after the application of 1,000 12-ton axle loads, then the same result would be obtained only after the application of 160m. motor-car axle loads.

Our conclusion must be that motor-cars, especially those privately run (because those commercially run are assisted by tax remissions), cross-subsidise heavy lorries and buses, that is, private road users heavily subsidise commercial road users.

Cut-price tickets

From Mr. R. Bonwit.
Sir—It is not possible to deal with the "inconsistency in Colin Jones' latest outburst" (August 20) against the railways. I shall, therefore, confine myself here to two points raised by him.

Instead of supporting an adequate rail commuter network, e.g. by allowing the Piccadilly tunnel in Manchester to be built—and thus reducing pressure on urban road space by car commuters, Colin Jones would prefer to rely solely on "parking controls" to achieve "the same objective at less cost." But more stringent parking controls will only be politically acceptable if they are part of a "package" which includes improved rail services. To stop commuters from travelling by private car without offering them a comparable rail service from the "park and ride" point to the city centre is not possible in a car-owning democracy.

British Rail is "unique"—it is not: rail deficits and subsidies of greater magnitude than those complained of by Colin Jones are commonplace in Continental transport. The argument that more railway capital has been "written off" here than has been the case in France or Germany is not very convincing if one remembers that a high proportion of the cost of electrification and other tools of railway modernisation was provided by the state from the outset and that reductions in railway debts have not only occurred in a British setting.

The reason why our railways are so backward in many respects—notably in ordinary freight traffic—is the lack of consistent investment on a Continental scale. There can be no adequate "return on capital" if not enough capital has been invested to make the enterprise technically viable.

There would be fewer lorries in our cities, if we had paid more attention to the provision of industrial sidings. The Germans have over 15,000 of these, against much less than one third of that number in Britain.

Rail Bonwit.
Norbey.
Kiln Lane.
Rimfield Heath.
Henley on Thames.

Safety at Work Act

From Mr. C. Simmonds.
Sir—Comments have appeared in your columns regarding the Health and Safety at Work Act ranging from closures to lack of impact due to the limited number of inspectors.

Non-executive directors

From Mr. S. Smith.
Sir—More thought is now being given to workers' representation on the Boards of companies but possibly the role of the non-executive director should be reviewed.

The commonly accepted role of the non-executive director on the Board of a public company is that he can make a valuable contribution not only by reason of his experience and expertise but because he is not involved in day-to-day management and can take a detached view of the issues. Shareholders' interests, however, do not appear to have been well-served by the non-executive directors in several of the companies which have recently been in difficulties.

Faults in car steering

From Mr. L. Pankhurst.
Sir—It seems to be the current practice of most car manufacturers to fit plastic liners to the steering ball joints (the rod and steering rods). The claimed advantage is that the ball joints never need greasing, and no greasing nipples are included. One personal experience, and two of which I have positive knowledge, indicate that the practice is not only retrograde but also highly dangerous.

Some years ago a relative arrived at my house in a small, popular car, having driven the last ten miles at walking pace with violently oscillating steering. On examination it was clear that the plastic liners on two of the ball joints had broken up and been thrown out. Our local garage showed no surprise.

Social Security payments

From Mr. J. Clements.
Sir—With reference to the latest commentary on the misuse of social security payments, I must say as an ex social security officer I have never come across payments being used to buy colour-tv sets. You will note in all these commentaries it is colour TV, neither have I known them to be used as deposits on new cars. There are no doubt widespread abuses of the system but, these are not examples.

Future incomes policy

From Mr. B. Hasoksworth.
Sir—I am surprised that Mr. Douglas Jay's excellent article of August 11 has produced only one response worthy of publication. I find it difficult to believe that your readers find the suggestion to be so irrelevant as not to merit further notice. Surely the whole future of this country, both financial and moral, depends a great deal on the way in which we tackle inflation and our degree of success in conquering it.

The correspondent (August 14) lends a measure of support to Douglas Jay's suggestion for a permanent body to supervise incomes but by reservation he would limit this to the public sector drawing the conclusion that settlements therein would influence the private sector.

I am more inclined to support the full view taken by Mr. Jay that a permanent Incomes or Pay Board should be responsible for supervision in all sectors. I believe the public are now prepared to accept this on the basis that a restriction on increases in income is not so bad if you know that the next man is similarly restricted: most claims are based on maintaining parity as opposed to reaching for the moon. I also believe most people are aware that we cannot continue with the excessive awards of the last 12 months and this fact will be brought home even more when the price increases still to come reflect past wage increases.

There is spare money around at the moment but this will be absorbed before the present incomes year is fully out and unless the long-term strategy for control over incomes, as suggested by Mr. Jay, is in hand for the next round of negotiations, then we could well see the floodgates open again and this time I fear that we would all be drowned.

B. Hasoksworth,
9, Saxton Road,
Birkdale, Southport.

Telecommunications

From Mr. J. Clements.
Sir—With reference to the latest commentary on the misuse of social security payments, I must say as an ex social security officer I have never come across payments being used to buy colour-tv sets. You will note in all these commentaries it is colour TV, neither have I known them to be used as deposits on new cars. There are no doubt widespread abuses of the system but, these are not examples.

To-day's Events

Mr. Denis Healey, Chancellor of the Exchequer, attends meeting of Commonwealth finance ministers, Georgetown, Guyana. United States Secretary of State, Henry Kissinger, resumes private talks at Stormont on new form of devolved Government, prior to Ulster Convention. Public inquiry opens into Houghton colliery disaster, Barnsley Town Hall. Sir Murray Fox, Lord Mayor of London, begins visit to New Zealand. Hong Kong Government continues negotiations with EEC Commission on its agreement to limit textile exports to Community, Brussels. Work resumes at two Triumph car factories at Liverpool while further discussions take place on strike involving starker truck drivers. Mr. Eric Deakin, Parliamentary Under-Secretary of State for Trade, continues official tour of Australia for trade and economic talks.

for Charles Mackerras, Coliseum Theatre, London, 7 p.m. BALLET London Festival Ballet dance Noir et Blanc, Scheherazade, and Gaiety Parisienne, Royal Festival Hall, London, 7.30 p.m. MUSIC Henry Wood Promenade Concerts: London Symphony Orchestra (conductor Bernard Klee) with Mincho Minchev (violin) perform Debussy's Poeme d'antique Japon, Scarlatti's Labyrinth, Haydn's violin concerto in C major, and Brahms symphony No. 2 in D major, Royal Albert Hall, London, 7.30

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BANK OF AMERICA

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Further 7.5 rally on Mid-East hopes

BY OUR WALL STREET CORRESPONDENT

THE RECOVERY made further headway on Wall Street today for the fourth quarter compared with some bargain hunting was encouraged by reports of progress towards a new Middle East peace agreement and also by President Ford's call for Business Tax incentives and an end to Federal Business Regulation.

The Dow Jones Industrial Average regained another 7.58 to 812.24 and the NYSE All Common Index rallied a further 42 cents to 545.37, while rises outpaced falls by more than a two-to-one majority. But the trading volume probably decreased 1.8m. shares to 11.55m.

Caution, as evidenced by the light volume, probably stemmed from the lingering concern about U.S. inflation prospects.

Arthur Burns, chairman of the Federal Reserve Board, said "inflation continues to be a very serious problem facing this country." His remarks came on nationwide TV, during which he also said that bank interest rates were currently too high.

Harnischfeger moved up \$2 to \$241 on sharply higher earnings for the third quarter and nine months.

S. S. Kresge gained \$1 to \$31 on bullish earnings prospects.

Chemtron improved \$1 to \$371, Clorox \$1 to \$521, MCA \$2 to \$597 and Xerox \$1 to \$573.

Superior Oil recovered \$3 to \$192.

Motors were firm. General Motors climbed \$1 to \$481, despite lower mid-August car sales. Chrysler's new car sales for the middle third of the month also declined, but Ford's sales increased.

Steels also were firm. Eckerdt gained \$1 to \$141 on profits prospects.

Stone and Webster tacked on \$1 to \$211 on a forecast of record 1975 earnings.

H. H. Robertson moved ahead \$1 to \$211 on favourable business and earnings prospects.

General Electric shares advanced \$2 to \$47 on its higher July quarter net.

Gulf Oil rose \$1 to \$203 but Rockwell International slipped \$1 to \$227. Gulf gave up talk of possible business combination with Rockwell.

The American S.E. Market Value Index moved up 0.79 to 84.37, with advances outpacing declines by 20 to 24.

Also active were Carilion, up \$1 to \$79, U.S. Filter, up \$1 to \$111, Presley, up \$1 to \$44, and National Patent Development, down \$2 to \$31.

Basin Petroleum were down \$13 to \$7 on 8,800 shares.

Miller-Wohl climbed \$2 to \$39 after reporting higher earnings.

Riley fell \$2 to \$111 on its loss for the fourth quarter compared with a profit a year earlier.

Price rose \$11 to \$181, International Nickel went up \$1 to \$273 and Bank of Montreal gained \$1 to \$171.

PARIS quietly firm, encouraged by Wall Street's recovery on Friday and the lowering of the day-to-day Money Market rate to 6 1/2 per cent.

Banks were strong as were Electricals, and Construction.

Portfolios, Foods, Metals and Oils were well-maintained, while Chemicals were steady.

Among foreign stocks, American were generally firm, but German lost ground. Dutch and Golds and Coppers were a little lower.

BRUSSELS—Mixed to slightly firmer, encouraged by Friday's trend on Wall Street, in quiet close-Account trading.

Among local issues, Electrolux put on Frs.40, CBR Frs.30, UCR Frs.30 and Cockerill also Frs.30. But BN eased Frs.30.

U.S. and French issues firmed, German stocks eased, slightly.

while U.K. and Dutch shares were little changed.

SWITZERLAND—Markets were narrowly mixed with a firmer undertone on selective interest.

Major banks improved on Oerlikon in which Paribas (Comp. des Pays-Bas) has a major 25 per cent stake, it was reliably learned here to-day.

The official announcement of the deal, which follows only ten days or so after another Borel "scoop" giving the company control of about 45 per cent of the Belgian motorway catering and hotel market, is expected to be made tomorrow.

Created in 1963, the Sofitel group owns or operates 15 high-class hotels including one in the U.S., totalling 2,500 rooms. Only two years ago, it was still making heavy profits of the order of Frs.2m, but the year was turned into a deficit last year mainly because of the financial difficulties faced by the Paris area.

Interim profits fall at Gist Brocades

By Michael Van Os

AMSTERDAM, August 25.

GIST-BROCADES, the Dutch chemical and pharmaceutical company, saw its first half net profit decline by 16 per cent to Fls.9.3m. from Fls.11.1m. in the same period last year. Sales, on the other hand, had increased by 17.2 per cent to Fls.422.5m. (Fls.360.9m.).

The company said in a short financial statement that the operating result had gone down to Fls.21.3m. (Fls.23.4m.), which was 5 per cent (6.5 per cent, of sales). Interest charges reached Fls.3.4m. (Fls.2m.), extraordinary income and loss was Fls.0.2m. (negative Fls.7m. positive) and taxation clipped off Fls.3.8m., which was down slightly on last year (Fls.11.1m.).

Assuming that shareholders all prefer the share premium payment, Gist-Brocades' nominal amount to Fls.2.40 (Fls.2.95).

PARIS, August 25.

PARIBAS, the single biggest shareholder in Sofitel, which is now expected to obtain a seat on the Board of Jacques Borel, has recently held negotiations with another big motorway hotel group, Novotel, in an effort to find a solution to Sofitel's problems. It is unclear, however, that these negotiations failed to bear fruit.

HONG KONG

Hong Kong 5 Aug. 22 Aug. 10

Government Loan 0.85 0.90

Amalgamated Rubber 1.63 1.64

Banque Indochine 14.30 14.30

Bank of China 14.30 14.30

City Union 12.10 12.10

Competition Properties 16.45 16.50

Comptoir d'Indochine 1.05 1.03

Hong Kong & Shanghai Banking Corp. 15.50 15.50

Hong Kong Telephone 15.50 15.50

Indo-Chinese Bank 15.50 15.50

Indo-Chinese Electric 15.50 15.50

Hong Kong Land Invest. 6.50 6.50

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FORM STOCK

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INSURANCE, PROPERTY, BONDS

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13 St. Paul's Churchyard, E.C.4	01-598 0111	Ringwood House, 4 White Horse Road, Croydon, CRO 9AG		70 Old Park Lane, London, W1	490 0001	1 Olympic Way, Wexley, Ms. HA9 0NB		PO Box 6, Norwich NR1 2NG	0603 22200	50, Uxbridge Rd. W12	01-749 8111
Equity Fund	24.1			GFand Int. Fd.	187.4	213.2		Non-Frag 20	124.4		100.0
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NOTES

HOTELS—Continued

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PROPERTY—Continued

"Recent Issues" and "Rights" Page 13

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FINANCIAL TIMES

Tuesday August 26 1975

BRC

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Three-sided check on the economy

BY JOHN ELLIOTT, LABOUR EDITOR

A SERIES of high-level meetings to monitor developments in the country's economy in the coming months are to start soon involving the Government and leaders of the CBI and TUC.

They will study the latest unemployment, prices and wages figures collected by the Government, the TUC and the CBI. The meetings will also give union leaders an important new role in discussions on the economy and in influencing senior Ministers on future policies.

At the start the Government is likely to meet the CBI and the TUC separately, but this might develop later into a tripartite affair if relationships between the three improve sufficiently.

TUC contribution

It is not intended that they should concern themselves with individual pay settlements and they will not therefore play the part of a Pay Board. Instead, they will be considering how successful the £5 limit is in bringing down the rate of wage rises and how effective other Government measures are in controlling prices, dividends and unemployment, and in boosting investment.

The TUC's contribution to this exercise is announced today in a circular to its unions setting out the form in which it wants them to report all their wage settlements to the TUC's headquarters.

It seems unlikely, however, that this will catch more than a small proportion of settlements reached across industry and it remains to be seen how successful it will be to the main economic monitoring exercise. The CBI has already refused to try to gather information on wages from its own members because it does not believe it would be successful.

But the employers group does want an overall monitoring of the progress of the policy with the TUC and Government. It considers that, ideally, this should take place within a tripartite organisation set up separately from the National Economic Development Council because it would be of a more temporary nature than the council.

The TUC expects to discuss possibilities with Ministers and the CBI next month and has not yet committed itself as to whether or not the NEDC should be the vehicle, but it has decided

Anti-inflation leaflet to go out to every household

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE NEXT phase of the massive publicity campaign to consolidate public opinion behind the Government's counter-inflation policy opens this week with the distribution to every household in the country of an explanatory 16-page pamphlet.

Deliveries to over 11m. households in the next three weeks will begin to-morrow.

The pamphlet sets out to emphasise the need for maximum support for the proposal to limit pay rises to a 5% ceiling in the coming year. It has been drafted by the Government's recently appointed Counter-Inflation Publicity Unit, which will also produce copies in Welsh and five Asian languages.

The propaganda campaign started last week with the publication of an advertisement in national newspapers and with the television broadcast by Mr. Harold Wilson. One of the reasons for the unusual timing of the campaign in the middle of the holiday season is the need

Pay row hits train service

A BANK HOLIDAY pay dispute caused big cuts in Midland Region rail services between Euston and Watford yesterday when drivers wanted more money for working the holiday.

The workers were on strike during the morning and in the afternoon they ran every hour instead of every 15 minutes.

The Watford to St. Albans branch line service was cancelled.

Weather

RAIN at times in N.W. England and W. Scotland. Elsewhere dry with sunny spells. Warm.

London, E., S.E. and Cent. England, E. Anglia, E. and W. Midlands.

Dry, sunny periods. Wind S.W., light. Max. 24C (75F).

Channel Isles, N.W. England, N. and S. Wales.

Patchy fog on coasts and hills, elsewhere sunny intervals, mainly dry. Wind S.W., moderate. Max. 22C (72F).

BUSINESS CENTRES

City	Temp	Wind	Cloud
Amsterdam	18	SE	Partly
Antwerp	18	SE	Partly
Birmingham	18	SE	Partly
Bristol	18	SE	Partly
Buenos Aires	22	SE	Partly
Cardiff	18	SE	Partly
Edinburgh	18	SE	Partly
Geneva	18	SE	Partly
London	18	SE	Partly
Lyons	18	SE	Partly
Manchester	18	SE	Partly
Madrid	22	SE	Partly
Munich	18	SE	Partly
Norwich	18	SE	Partly
Paris	18	SE	Partly
Perth	18	SE	Partly
Portsmouth	18	SE	Partly
Reading	18	SE	Partly
Sheffield	18	SE	Partly
Stockholm	18	SE	Partly
Swansea	18	SE	Partly
Toronto	18	SE	Partly
Winnipeg	18	SE	Partly
Zurich	18	SE	Partly

WORLD CURRENCY REFORM

France agrees to separate talks on main issues

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

VENICE, August 25.

PROSPECTS FOR early progress towards reforming the international monetary system have improved considerably because of an important concession by France at the informal meeting of EEC Finance Ministers here yesterday.

M. Jean-Pierre Fourcade, the French Finance Minister, agreed to separate discussions on the three main issues under discussion—gold, redistribution of international Monetary Fund quotas and future rules for exchange rates. These had previously been linked in a reform "package".

This should mean negotiations can now proceed on the two "easier" problems of gold and quotas while the question of new rules for currency floating and exchange rates, on which Washington and Paris are still far apart, is postponed. France has been pressing for a return to more stable exchange rates as soon as possible, while the U.S. favours continuing exchange rate flexibility.

Commenting on what he described as "a very important compromise", Mr. Denis Healey, the Chancellor of the Exchequer, said it should now be perfectly possible to agree on gold and quotas in the series of international monetary negotiations that start in Washington at the week-end. The U.S. should be happy with the EEC's approach, he added.

Free market

On gold, the Community will now propose a jointly-agreed plan for stocks currently held by the IMF, together with new rules allowing transactions between central banks at prices reflecting the free market.

The suggestion is that one sixth



M. FOURCADE—important concession

of the Fund's gold should be returned to the countries that originally contributed it, one sixth sold either to central banks or in the free market—and the remaining two-thirds retained by the fund. Profits from gold sales (amounting to as much as \$50m.) would be used to aid developing countries, particularly the poorest.

On quotas, on the other hand, the Community now appears ready to concede some ground to the U.S. position. In the planned reduction of industrialised countries' quotas to

accommodate a doubling of those of the oil states, the U.S. is insisting that its own quota remain above 20 per cent. to maintain its official blocking vote in the fund. Although the Nine will initially stick to their earlier proposal, under which the U.S. share would be cut to below 20 per cent., they now seem prepared to agree to the 20 per cent. figure.

Mr. Healey said the aim would be to finalise agreements on gold and quotas at the meeting of the Interim Committee for Monetary Reform, in Jamaica next January.

A further important step for developing countries was the Nine's agreement to contribute to the fund's oil facilities, Mr. Healey said. This could help the U.S. Administration persuade Congress to agree to an American contribution to the scheme.

In a discussion of economic problems, Mr. Healey told his partners the U.K. felt relations measures planned by France and Germany did not go far enough—a view supported by the Netherlands, Italy, Ireland and Denmark.

Main complaint
The Chancellor's main complaint was that Germany and, to a large extent, French measures would concentrate on promoting construction and public works, and do little to increase imports.

He said the U.K. felt relations measures planned by France and Germany did not go far enough—a view supported by the Netherlands, Italy, Ireland and Denmark.

Agreement likely on 'solidarity fund' for Third World

BY HUGH O'SHAUGHNESSY

LIMA, August 25.

A POWERFUL new multi-million dollar Solidarity Fund for the Third World, a separate fund to finance the buffer stocks needed to support raw material prices, and a council to co-ordinate the actions of the raw material producers' association are three of the concrete results expected to emerge from the conference of Non-Aligned Foreign Ministers which opened here this evening.

Nearly 100 countries are represented at this gathering, the most numerous of the meetings being staged in preparation for next week's special session of the UN General Assembly and the subsequent IMF and World Bank meetings.

Amid some intense procedural jockeying, the Foreign Ministers of the traditional non-aligned countries, such as Mr. Y. B. Chavan of India, Mr. Abdul Aziz Bouteflika of Algeria and Mr. Adam Malik of Indonesia, have been joined by a growing number of representatives of countries with observer or guest status including Rear Admiral Alba Rosa Pousillo of Portugal, and envoys from Australia, Austria, Romania, Sweden and

the Palestine Liberation Organisation.

According to conference sources, draft statutes for the new Solidarity Fund are ready for Foreign Ministers' approval and there are hopes that the bank could be inaugurated by the end of the year. It envisaged that all non-aligned countries would be asked to make a small standard capital subscription of \$200,000 or \$300,000 which would be topped up to perhaps \$75m. by voluntary contributions from the richer members.

Kuwait is expected to give a powerful boost to the Fund by formally confirming an offer of \$250m. The bank's funds would be devoted to development projects in member countries and, according to sources, would operate much on the lines of the European Community's European Development Bank.

In addition to the Solidarity Fund a separate fund is expected to be set up to finance buffer stocks of those commodities in which prices are volatile and which many of the non-aligned countries depend. The Fund would be

administered in accordance with recommendations already formulated within UNCTAD.

Much preliminary work has already been completed on the establishment of a raw material producers' council.

In the political arena, the heads of the Arab delegations to the conference yesterday formally announced that they would call on the non-aligned countries for assistance in a renewed diplomatic offensive against Israel. The conference was expected to be considering Syrian and PLO resolutions seeking the expulsion or at least the suspension of Israel from the UN.

While Arab sources are naturally playing up the unusual nature of the Arab decision taken yesterday seeking the degree of stimulus and too strong a preoccupation with inflation on the part of industrialised countries. It also raises the question of incomes policies in those countries, suggesting that without such steps "it may prove very difficult in some countries to limit the effects of cost pressures on prices and to achieve price moderation, except at the expense of greater slack and unemployment."

Commonwealth Finance Ministers meet—Page 5

Floating: cautious IMF support

BY ADRIAN DICKS

WASHINGTON, August 25.

A CAUTIOUS endorsement of the system of managed floating exchange rates is given by the International Monetary Fund in its annual report, published here this morning.

The Fund says that "on the whole, the exchange rate flexibility appears to have enabled the world economy to surmount a succession of disturbing events, and to accommodate divergent growth in costs and prices in national economies with less disruption of trade and payments than would have been able to do."

But the report also raises the question of whether present arrangements "could have been managed better, and whether they will continue to be appropriate in a calmer period for the world economy."

It says: "Rate fluctuations that have occurred in the past two years—both day-to-day and of somewhat longer duration—are in some cases much greater than could be justified on the basis of changes in underlying

economic conditions. It is difficult, admittedly, to distinguish a temporary movement from a trend, but the record of the floating period is not wholly satisfactory in this respect."

The Fund hints that it might favour a return to a more active government presence in foreign exchange markets when it marks the reduction in support in costs and prices in national economies with less disruption of trade and payments than would have been able to do."

Reviewing the world economy during the past 12 months, the IMF says that "the generally expected turnaround of aggregate output in the second half of 1975 hinges mainly on an increase in real consumption, and on the adjustment of business inventory conditions in the industrial countries. In this respect, the current recession follows the general pattern of earlier post-war economic cycles, though the Fund acknowledges

fears that the severity of the downturn may make recovery slower.

The report steers a careful course between too great a degree of stimulus and too strong a preoccupation with inflation on the part of industrialised countries. It also raises the question of incomes policies in those countries, suggesting that without such steps "it may prove very difficult in some countries to limit the effects of cost pressures on prices and to achieve price moderation, except at the expense of greater slack and unemployment."

The Fund appears to take a fairly calm view of the international payments positions of major industrial countries, but it sounds a fresh warning—echoed by the World Bank and other multinational institutions—about the plight of non-oil producing developing countries.

World Bank report Page 5
Editorial comment Page 13

THE LEX COLUMN

Where disclosure is needed most

Few people would now dispute that the corporate sector has responsibilities towards a large sector of the community, and the accountants, in their discussion paper "The Corporate Report," are proposing a number of ways in which these duties can be identified and disclosed. But however interesting this debate may turn out to be, the accountants have more pressing priorities to tackle.

The first, inevitably, is to find an acceptable way of dealing with the inflation illusion. One point to notice pending the imminent publication of the Sandilands report is that the accountants seem to be moving—in theory, at least—in favour of a form of presentation, whether by replacement cost, realisable value, or some other combination.

Restrictions

In addition, it would be helpful if the accounts were to give some indication of where a company stood in relation to any borrowing restrictions it might have. Admittedly there are arguments against this. In some cases, such information would be very complicated and lengthy. Sometimes it could give a misleading impression of strength, since shaky companies cannot count on being able to borrow up to the theoretical limit. Borrowing restrictions are usually flexible, and can be increased with the approval of the appropriate stockholders, and in many cases there is a watchdog already, in the shape of the trustee.

However, no one noticed that Court Line had apparently unwittingly put itself in breach of its borrowing powers during 1973 until some little time after the accounts were published, in March 1974. Some trust deeds are just too complicated to be interpreted by outsiders. On other occasions, no public documents are available. The loan with which Burnham Oil financed its Signal Oil acquisition comes into this category, and its (undisclosed) contingency clauses were what triggered off last winter's upsets.

On a slightly different tack, the existence of borrowing limitations has played an obvious role in deciding the scale of provisions deemed to be appropriate by a number of secondary financials in recent months—so that in some cases, as £1.65m. Stocks and work in progress, moreover, jumped by over £5m. and gross cash flow from trading produced only two fifths of funds required—bank borrowings rose £5m.

But apparently this trend will change dramatically in the current year. Roughly £0.5m. For example Unilever decided out of total £2.9m. earnings last year to increase its annual contribution by £3m.—which is equivalent to a capital sum of about £100m. This kind of quantification is very much the exception rather than the rule. Within four years. As for working capital, the build-up largely includes an example of how pension details might be presented, showing the type of scheme and number of employees involved, been reflected in delivery levels.

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Rhodesia

manager of South African Railways which was parked at the Victoria Falls station.

This was President Kuanda's first visit to Rhodesia since the talks over dissolution of the Central African Federation in 1963.

After talks lasting 90 minutes which both men described as useful and fruitful, Dr. Kuanda took his South African guest back to Livingstone for lunch. The two men then rejoined the Falls conference about 30 minutes after the Rhodesian and ANC teams had resumed their discussions. They stayed at the talks until about 5 p.m. when Mr. Vorster again went to Livingstone for dinner with Dr. Kuanda.

The fact that the two sides have spent so long under such pressure from South Africa and Zambia discussing the seemingly trivial mechanics of the next stage of the conference does not inspire confidence about the outcome of the talks.

Our Foreign Staff adds: One possibility for solving possible deadlock on the issue of a venue for the committee meetings is, according to agency reports, the turning of the Victoria Falls area into a kind of neutral zone. If this were done, the negotiations of the Rhodesian Government and the ANC could be based on either side of the river and could continue to committee meetings on one side or the other.

Last effort to break Ulster deadlock

BY OUR OWN CORRESPONDENT

BELFAST, August 25.

THE INTER-PARTY talks in Belfast on possible new forms of Government for Northern Ireland resume to-morrow in a last effort to break the deadlock between the Social Democratic Labour Party and the Unionist coalition.

There is little optimism, however, that any compromise can be found on the issue of whether the SDLP should be represented at the executive level of Government.

Mr. Oliver Napier, the Alliance leader, whose party is also taking part in the talks,

said to-day that he suspected the British Government did not really believe the Convention could produce a solution.

If it failed, the will for continued direct rule would be there, and he believed the Government had said to the Provisionals that when the Convention failed, more options would be open.

The discussions take place against a background of rising fears of a massive Loyalist offensive. After a series of talks, one big combined Loyalist army could emerge,

it is thought, incorporating many extremist murder squads.

Such an idea came from the Ulster Volunteer Force, who stated that the body "would all come under the UVF but still retain their separate identities."

Mr. Merlyn Rees, Northern Ireland's Secretary, has returned to Ulster after a brief holiday to face the Loyalists' discontent.

That if Mr. Rees did not act within three weeks, army camps would be blockaded to prevent supplies getting in.

Reports that two members of the Arab Socialist Union, expected to arrive in Ireland in the next few days, would be discussing possible arms deals have been firmly denied.

A Loyalist military-style checkpoint in Ulster on Sunday night is thought to have shot dead two young Catholic men whose bodies were found half a mile from the checkpoint.

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